

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

## FORM 10-K

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

or

/ /Transition Report Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934For the fiscal year ended January 28, 1995 Commission file number  
1-4908The TJX Companies, Inc.  
(Exact name of registrant as specified in its charter)Delaware 04-2207613  
(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification No.)770 Cochituate Road 01701  
Framingham, Massachusetts (Zip Code)  
(Address of principal executive offices)

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

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

Title of each class	Name of each exchange on which registered
Common Stock, par value \$1.00	New York Stock Exchange
Series C Cumulative Convertible Preferred Stock, par value \$1.00	New York Stock Exchange
9-1/2% Sinking Fund Debentures due May 1, 2016	New York Stock Exchange

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

NONE

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

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

The aggregate market value of the voting stock held by non-affiliates of the Registrant on March 15, 1995 was \$862,798,474.

There were 72,400,901 shares of the Registrant's Common Stock, \$1 par value, outstanding as of March 15, 1995.

PAGE 2

## DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Stockholders for the fiscal year ended January 28, 1995 (certain parts as indicated herein) (Parts I and II).

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held on June 6, 1995 (Part III).

PAGE 3

## ITEM 1. Business

The Company is the largest off-price specialty apparel retailer in North America, comprised of the T.J. Maxx and Winners family apparel chains, the Hit or Miss chain of women's specialty stores and Chadwick's of Boston mail-order catalog. T.J. Maxx, Hit or Miss and Chadwick's of Boston operate in the United States and Winners operates in Canada. The Company is also developing HomeGoods which operates off-price home fashions stores in the United States and T.K. Maxx, a new venture in the United Kingdom, which is a T.J. Maxx-like business.

The Company strives to provide value to its customers by delivering

brand names, fashion, quality and price. During the fiscal year ended January 28, 1995 ("fiscal 1995"), the Company's stores derived 31.0% of its sales from the Northeast, 23.4% from the Midwest, 28.3% from the South, 1.6% from the Central States, 12.0% from the West and 3.7% from Canada.

The greatest share of sales volume is done through the Company's T.J. Maxx chain, which operates 551 stores in 48 states, with an average store size of 28,000 gross square feet. T.J. Maxx sells a broad range of brand name family apparel, accessories, women's shoes, domestics, giftware and jewelry at prices generally 20% to 60% below department and specialty store regular prices. Hit or Miss, with 490 stores averaging 4,000 square feet in 35 states, is a chain of off-price women's specialty apparel stores featuring women's brand name and private label fashions including both wear-to-work and weekend wear. Chadwick's of Boston sells, through a mail-order catalog, women's career and casual fashion apparel priced significantly below department store regular prices. Winners Apparel Ltd., which was acquired by the Company in fiscal 1991, is a Canadian off-price family apparel retailer, which operates 37 stores in Canada. HomeGoods, an off-price business the Company began testing in fiscal 1993, sells domestics, giftware and other home fashions and operates a total of 15 stores. T.K. Maxx, the Company's newest venture, operates 5 off-price apparel stores in the United Kingdom. Unless otherwise indicated, all figures herein relating to numbers of stores are as of January 28, 1995.

In common with the business of apparel retailers generally, the Company's business is subject to seasonal influences, with higher levels of sales and income generally realized in the second half of the year.

PAGE 4

Set forth in the following table are the locations of stores operated by the Company's United States operations as of January 28, 1995:

	T.J. Maxx	Hit or Miss	HomeGoods
Alabama.....	9	3	-
Arizona.....	7	1	-
Arkansas.....	2	-	-
California.....	46	37	-
Colorado.....	8	4	-
Connecticut.....	21	20	2
Delaware.....	2	1	-
District of Columbia.....	-	4	-
Florida.....	40	43	-
Georgia.....	18	11	2
Hawaii.....	1	-	-
Idaho.....	1	-	-
Illinois.....	36	31	-
Indiana.....	8	5	-
Iowa.....	4	1	-
Kansas.....	4	2	-
Kentucky.....	4	2	1
Louisiana.....	5	6	-
Maine.....	5	2	-
Maryland.....	10	15	-
Massachusetts.....	36	38	3
Michigan.....	23	25	-
Minnesota.....	11	5	-
Mississippi.....	1	-	-
Missouri.....	9	10	-
Montana.....	1	-	-
Nebraska.....	2	-	-
Nevada.....	3	1	-
New Hampshire.....	8	4	2
New Jersey.....	14	47	-
New Mexico.....	2	-	-
New York.....	38	28	-
North Carolina.....	14	11	-
North Dakota.....	2	-	-
Ohio.....	31	18	2
Oklahoma.....	3	2	-
Oregon.....	3	-	-

Pennsylvania.....	28	30	-
Rhode Island.....	3	11	-
South Carolina.....	8	5	-
South Dakota.....	1	-	-
Tennessee.....	12	12	-
Texas.....	25	26	-
Utah.....	3	-	-
Vermont.....	1	1	-
Virginia.....	22	18	-
Washington.....	7	-	-
West Virginia.....	1	-	-
Wisconsin.....	8	10	3
Total Stores	551	490	15

Winners Apparel Ltd. operates 37 stores in Canada: 4 in Alberta, 3 in Manitoba, 27 in Ontario, 2 in Quebec and 1 in Nova Scotia.

T.K. Maxx operates 5 stores in the United Kingdom.

PAGE 5

#### T.J. MAXX

T.J. Maxx is the largest off-price family apparel chain in the United States, selling brand name family apparel and accessories, women's shoes, domestics, jewelry and giftware. T.J. Maxx's target customers are generally women between the ages 25 to 50, who typically have families with middle and upper-middle incomes and generally fit the profile of a department store shopper. Over 95% of T.J. Maxx's merchandise is first quality, and the balance consists of irregulars, samples and department or specialty store over-stocks. The chain uses a number of opportunistic buying strategies to purchase large quantities of merchandise at significant discounts from initial wholesale prices. Its strategies include special situation purchases, closeouts of current season fashions and out-of-season purchases of basic seasonal items for warehousing until the appropriate selling season. Pricing and markdown decisions and store replenishment requirements are determined centrally, using information provided by electronic point-of-sale computer terminals. T.J. Maxx employs a disciplined markdown policy to ensure that substantially all merchandise is sold within targeted selling periods.

T.J. Maxx stores are generally located in suburban strip shopping centers, in close proximity to population centers, and average approximately 28,000 gross square feet. In recent years, T.J. Maxx has enlarged a number of stores to a larger prototype format, typically 30,000-40,000 square feet in size, and plans to continue its program of enlarging highly successful stores where adjacent real estate is available. This larger format allows T.J. Maxx to expand all of its departments, with particular emphasis on its highly successful giftware and housewares departments and other non-apparel categories.

In fiscal 1995, 44 stores were opened, including 29 of the new larger prototype, and 5 were closed. In addition, 22 existing stores were expanded to the larger format bringing the total of T.J. Maxx stores in the larger format to 179. In fiscal 1996, approximately 40-45 new stores are planned, of which approximately 25 are expected to be larger stores, along with the planned expansion of about 20 existing locations. During the past five years, T.J. Maxx has opened 211 new stores while closing 12 and has increased its presence in the metropolitan New York market with the addition of stores on Long Island and in New Jersey.

#### HIT OR MISS

Hit or Miss sells first quality current season women's apparel, and targets working women 20 to 45 years old who desire up-to-date fashion and brand name quality merchandise at affordable prices. Hit or Miss sells nationally recognized brand name merchandise, purchased directly from manufacturers at prices below initial wholesale prices, and also sells private label merchandise, a large percentage of which is imported, in lines where quality, price and fashion are more important to customers than brand names. An aggressive markdown policy is pursued to achieve the turnover necessary to offer up-to-date fashionable merchandise. All purchasing, stocking, replenishment, initial pricing and markdowns are determined centrally rather than at the store level.

A majority of Hit or Miss stores are located in suburban strip shopping centers, with the balance located in downtown areas, town centers and regional and outlet malls. Hit or Miss stores average approximately

PAGE 6

4,000 gross square feet with an average of approximately 3,100 square feet of selling space.

During fiscal 1995, Hit or Miss opened 29 stores and closed 32 stores as it continued with its real estate repositioning strategy initiated in

fiscal 1993. The Hit or Miss stores have short average remaining lease lives which provides the Company the opportunity to close additional stores, if warranted, in a cost effective manner. In the past five years, Hit or Miss has opened 132 new stores, and has closed 188 stores. Hit or Miss expects to open 5 new stores in fiscal 1996, and anticipates closing approximately 50 stores depending upon management's review.

#### CHADWICK'S OF BOSTON

The Chadwick's of Boston catalog features first quality, current fashion and classic merchandise, including career sportswear, casual wear, dresses, suits and accessories, with a mix of brand name and private label merchandise priced significantly below department store regular prices. Chadwick's target customers are 20 to 45 year old women interested in moderate to upper moderate priced merchandise and include both homemakers and working women. Certain of Chadwick's catalogs also carry some menswear items. During fiscal 1996, Chadwick's will be testing a new catalog which will carry the Cosmopolitan label. Cosmopolitan is a registered trademark of the Hearst Corporation. The Cosmopolitan Catalog will be geared toward young, working women and will offer the latest fashion trends at affordable prices.

Chadwick's is continuing to invest in its infrastructure to support its growth. During fiscal 1993, Chadwick's completed a major addition to its fulfillment center and installed a state-of-the-art telephone order system and an upgraded order processing system. Further expansion of its fulfillment center was completed in fiscal 1995. Chadwick's is committed to further improving its customer service and fulfillment center operations.

#### WINNERS APPAREL LTD.

Winners Apparel Ltd., acquired by the Company in fiscal 1991, is a Canadian off-price family apparel retailer offering top brands and designer names at substantial savings. Winners emphasizes off-price designer and brand name misses sportswear, dresses and accessories as well as menswear and clothing for children and infants and toddlers. In addition, during the year Winners rolled-out giftware departments in all of its stores. In fiscal 1995, Winners opened 10 new stores and now operates a total of 37 stores. Winners entered new markets in the eastern provinces with stores in Quebec and Nova Scotia. Winners expects to open 12 new stores in fiscal 1996 and to expand further into new Canadian markets. In support of its store growth, Winners moved into a new distribution facility in fiscal 1994.

#### HOMEGOODS

In fiscal 1995, the Company continued to test its new HomeGoods stores, designed to expand the Company's off-price presence in the home fashions market. Based on the continuing success of T.J. Maxx's domestics and giftware categories, the Company believes an opportunity exists for a chain of large off-price stores focusing exclusively on home fashions.

#### PAGE 7

HomeGoods offers a broad and deep range of home fashion products, including domestics, cookware, bath accessories, and giftware in a no-frills, multi-department store format. The Company has refined HomeGoods' merchandise mix and softened the look of its store layout. The stores currently average approximately 43,000 square feet, but the Company intends to move to a smaller 35,000 square foot prototype with future openings. The Company opened 5 HomeGoods stores in fiscal 1995 and now operates a total of 15 stores. HomeGoods expects to open about 10 new stores in fiscal 1996.

The first 6 stores were opened in former Ames locations for which the Company has assumed lease liability, enabling the Company to test this new concept at relatively low cost.

#### T.K. MAXX

During fiscal 1995, the Company opened its first 5 T.K. Maxx stores in the United Kingdom, and began testing the off-price apparel concept overseas. This concept is similar to T.J. Maxx and Winners. The Company had a total of 5 stores at year end and plans to open approximately 5 in fiscal 1996.

#### EMPLOYEES

At January 28, 1995, the Company had approximately 38,000 employees, many of whom work less than 40 hours per week. In addition, temporary employees are hired during the peak back-to-school and holiday seasons. The Company has several collective bargaining agreements with the International Ladies Garment Workers Union ("ILGWU"), covering approximately 3,900 employees in its distribution facilities in Stoughton, West Bridgewater and Worcester, Massachusetts; Evansville, Indiana; Las Vegas, Nevada and Charlotte, North Carolina. New three year agreements, effective January 1, 1995, were ratified by the union workers in the three

New England distribution centers, and in the Las Vegas facility. The Company considers its labor/management relations and overall employee relations to be good.

#### COMPETITION

The retail apparel business is highly competitive. The Company generally competes for customers with a variety of conventional and other retail stores, including national, regional and local independent department and specialty stores, as well as with catalog operations, factory outlet stores and other off-price stores. Competitive factors important to the Company's customers include fashion, value, merchandise selection, brand name recognition and, to a lesser degree, store location. In addition, because the Company purchases much of its inventory opportunistically, the Company competes for merchandise with other national and regional off-price apparel retailers.

Many of the Company's competitors handle identical or similar lines of merchandise and have comparable locations, and some have greater financial resources than the Company. The Company has relied and will continue to rely on a strong focus on consistently executing its mission of delivering exceptional fashion value to its target customers as a means of distinguishing itself from its competitors.

PAGE 8

#### CREDIT

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

#### BUYING AND DISTRIBUTION

Each of the Company's chains is serviced through its own centralized buying and distribution network. Each T.J. Maxx store is serviced by one of the chain's four distribution centers in Worcester, Massachusetts, Evansville, Indiana, Las Vegas, Nevada and Charlotte, North Carolina. Shipments are made twice a week by contract carrier to each store. All Hit or Miss stores are serviced by its warehouse facility in Stoughton, Massachusetts. Chadwick's of Boston's customers are serviced from its fulfillment center in West Bridgewater, Massachusetts. Winners Apparel Ltd. stores are serviced from a distribution center in Mississauga, Ontario and HomeGoods stores are serviced from a distribution center in Mansfield, Massachusetts.

#### ITEM 2. Properties

T.J. Maxx, Hit or Miss and Winners lease virtually all of their store locations. Leases are generally for 10 years with options to extend for one or more 5 year periods. The Company has the right to terminate certain leases before the expiration date under certain circumstances and for a specified payment.

The approximate average size of a T.J. Maxx store is 28,000 square feet, Hit or Miss stores average approximately 4,000 square feet, Winners stores are approximately 23,000 square feet on average and HomeGoods stores currently average approximately 43,000 square feet. The Company owns four T.J. Maxx distribution facilities - a 526,000 square foot facility in Worcester, Massachusetts, a 983,000 square foot facility in Evansville, Indiana, a 400,000 square foot facility in Las Vegas, Nevada, and a 600,000 square foot facility in Charlotte, North Carolina. Hit or Miss leases its 334,000 square foot warehouse and office facility in Stoughton, Massachusetts under a lease expiring in September 1999, with renewal options extending to 2019. Chadwick's owns a 676,000 square foot fulfillment center and office facility in West Bridgewater, Massachusetts. Chadwick's is also leasing a nearby 127,000 square foot warehouse and office facility. Winners leases 313,000 square feet of warehouse and office space in Mississauga, Ontario. HomeGoods leases a 125,000 square foot distribution center in Mansfield, Massachusetts. T.K. Maxx in the United Kingdom has leased a 57,000 square foot office and distribution facility in Hayes, Middlesex, England. The Company's, T.J. Maxx's and HomeGoods' executive and administrative offices are located in a 517,000 square foot office facility, which the Company leases in Framingham, Massachusetts.

PAGE 9

The table below indicates the approximate gross square footage of stores and distribution centers, by division, in operation as of January 28, 1995.

	(In Thousands)
Stores	Distribution Centers

		Leased	Owned
T.J. Maxx	15,313	-	2,466
Winners	838	230	-
Hit or Miss	1,951	264	-
HomeGoods	649	125	-
T.K. Maxx	130	50	-
Chadwick's	-	85	543
Total	18,881	754	3,009

ITEM 3. Legal Proceedings

The Company is a defendant in a class action lawsuit, In Re TJX Companies, Inc., Consolidated Civil Action No. 10514, in the Court of Chancery of the State of Delaware. The former The TJX Companies, Inc. ("old TJX"), formerly an 83%-owned subsidiary of the Company, and the directors of old TJX are also named as defendants in this lawsuit. The lawsuit alleges that certain actions of the defendants in respect of the merger in 1989 of old TJX into The TJX Operating Companies, Inc., a wholly-owned subsidiary subsequently merged into the Company, constituted self-dealing, deception, unfair dealing, overreaching and a breach of fiduciary duties owed by the defendants to the then public stockholders of old TJX. In particular, the amended complaint alleges that the terms of the merger were unfair and offered inadequate consideration to the then public stockholders of old TJX. The suit seeks to recover unspecified monetary damages. The defendants have filed answers denying any wrongdoing. The Company believes that the substantive allegations of the case are without merit and that the case will not have a material effect on the Company's financial position.

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

There was no matter submitted to a vote of the Company's security holders during the fourth quarter of fiscal 1995.

PAGE 10

ITEM 4A. Executive Officers of the Registrant

The following persons are the executive officers of the Company as of the date hereof:

Name	Age	Office and Employment During Last Five Years
Bernard Cammarata	55	President, Chief Executive Officer and Director since 1989 and Chairman of the T.J. Maxx Division since 1986. Executive Vice President of the Company from 1986 to 1989. President, Chief Executive Officer and Director of the Company's former TJX subsidiary from 1987 to 1989; President of T.J. Maxx, 1976 to 1986.
Donald G. Campbell	43	Senior Vice President - Finance since 1989. Senior Financial Executive of the Company, 1988 to 1989; Senior Vice President - Finance and Administration Zayre Stores Division 1987-1988; Vice President and Corporate Controller of the Company prior to 1987.
Sumner L. Feldberg	70	Chairman of the Board of Directors since 1989. Chairman of the Executive Committee of the Board of Directors since 1987; Chairman of the Board of Directors prior to 1987.
Richard Lesser	60	Executive Vice President of the Company since 1991 and Chief Operating Officer of the Company since 1994. Senior Vice President of the Company 1989-1991 and President of the T.J. Maxx Division from 1986 to 1994. Senior Executive Vice President - Merchandising and Distribution 1986. Executive Vice President - General Merchandise Manager 1984 to 1986; Senior Vice President - General Merchandise Manager 1981 to 1984.

The foregoing were elected to their current Company offices by the Board of Directors in June 1994. All officers hold office until the next annual meeting of the Board in June 1995 and until their successors are elected and qualified.

PAGE 11

PART II

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

The information required by this Item is incorporated herein by reference from page 36 of the Annual Report, under the caption "Price Range of Common Stock," and from inside the back cover of the Annual Report, under the caption "Shareholder Information."

ITEM 6. Selected Financial Data

The information required by this Item is incorporated herein by reference from page 15 of the Annual Report, under the caption "Selected Financial Data."

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

The information required by this Item is incorporated herein by reference from pages 31 through 33 of the Annual Report, under the caption "Management's Discussion and Analysis of Results of Operations and Financial Condition."

ITEM 8. Financial Statements and Supplementary Data

The information required by this Item and not filed with this report as Financial Statement Schedules is incorporated herein by reference from pages 16 through 29 of the Annual Report, under the captions; "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Cash Flows," "Consolidated Statements of Shareholders' Equity," "Selected Information by Major Business Segment" and "Notes to Consolidated Financial Statements."

ITEM 9. Disagreements on Accounting and  
Financial Disclosure

Not applicable.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

The Company will file with the Securities and Exchange Commission a definitive Proxy Statement no later than 120 days after the close of its fiscal year ended January 28, 1995 (the "Proxy Statement"). The information required by this Item and not given in Item 4A, Executive Officers of the Registrant, is incorporated by reference to the Proxy Statement. However, information under the captions "Executive Compensation Committee Report" and "Performance Graph" in the Proxy Statement is not so incorporated.

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference to the Proxy Statement.

PAGE 12

ITEM 12. Security Ownership of Certain  
Beneficial Owners and Management

The information required by this Item is incorporated by reference to the Proxy Statement.

ITEM 13. Certain Relationships and  
Related Transactions

The information required by this Item is incorporated by reference to the Proxy Statement.

PART IV

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

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

B. The Company did not file any reports on Form 8-K with the Securities and Exchange Commission during the quarter ended January 28, 1995.

C. Listed below are all Exhibits filed as part of this report. Certain Exhibits are incorporated by reference to documents previously filed by the Registrant with the Securities and Exchange Commission pursuant to Rule 12b-32 under the Securities Exchange Act of 1934, as amended.

(3i) Articles of Incorporation.

- (a) Second Restated Certificate of Incorporation filed June 5, 1985, is filed herewith.
- (b) Certificate of Amendment of Second Restated Certificate of Incorporation filed June 3, 1986, is filed herewith.
- (c) Certificate of Amendment of Second Restated Certificate of Incorporation filed June 2, 1987, is filed herewith.
- (d) Certificate of Amendment of Second Restated Certificate of Incorporation filed June 20, 1989, is filed herewith.
- (e) Certificate of Designations, Preferences and Rights of New Series A Cumulative Convertible Preferred Stock of the Company is filed herewith.
- (f) Certificate of Designations, Preferences and Rights of \$3.125 Series C Cumulative Convertible Preferred Stock of the Company is filed herewith.

(3ii) By-laws.

- (a) The by-laws of the Company, as amended, are filed herewith.

(4) Instruments defining the rights of security holders, including indentures.

PAGE 13

- (a) Common and Preferred Stock: See the Second Restated Certificate of Incorporation, as amended (Exhibit (3i) (a)-(f) hereto).
- (b) A composite copy of the Share Purchase Agreements dated as of April 15, 1992 regarding Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 4(c) to the Form 10-K filed for the fiscal year ended January 25, 1992.
- (c) Exchange Agreement dated as of August 6, 1992 between the Company and the holders of New Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 19.1 to the Form 10-Q filed for the quarter ended July 25, 1992.

Each other instrument relates to securities the total amount of which does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish to the Securities and Exchange Commission copies of each such instrument not otherwise filed herewith or incorporated herein by reference.

(10) Material Contracts.

- (a) The Amended and Restated Employment Agreement dated as of April 26, 1988 with Stanley Feldberg is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 30, 1988. The First Amendment to the 1988 Amended and Restated Employment Agreement of Stanley Feldberg dated June 8, 1993 is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (b) The Amended and Restated Employment Agreement dated as of June 1, 1989 with Sumner L. Feldberg is incorporated herein by reference to Exhibit 10(b) to the Form 10-K filed for the fiscal year ended January 27, 1990. The First Amendment dated as of December 9, 1992 to Sumner L. Feldberg's Amended and Restated Employment Agreement is incorporated herein by reference to Exhibit 10(b) to the Form 10-K for the fiscal year ended January 30, 1993. \*
- (c) The Employment Agreement dated as of June 1, 1989 with Arthur F. Loewy is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 27, 1990. The Amendment dated as of January 26, 1991 to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 26, 1991. Amendment No. 2 dated as of January 25, 1992 to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 25, 1992. Amendment No. 3 dated as of January 30, 1993 to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 30, 1993. Amendment No. 4, dated as of January 29, 1994, to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended



- (d) The Employment Agreement dated as of January 30, 1994 with Bernard Cammarata is filed herewith.\*
- (e) The Amended and Restated Employment Agreement dated as of February 1, 1995 with Richard Lesser is filed herewith.\*
- (f) The Amended and Restated Employment Agreement dated as of February 1, 1995 with Donald G. Campbell is filed herewith.\*
- (g) The Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(g) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (h) The 1982 Long Range Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(h) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (i) The 1986 Stock Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(i) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (j) The TJX Companies, Inc. Long Range Performance Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(j) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (k) The General Deferred Compensation Plan, as amended, is incorporated herein by reference to Exhibit 10(n) to the Form 10-K filed for the fiscal year ended January 27, 1990. \*
- (l) The Supplemental Executive Retirement Plan, as amended, is incorporated herein by reference to Exhibit 10(l) to the Form 10-K filed for the fiscal year ended January 25, 1992. \*
- (m) The 1993 Stock Option Plan for Non-Employee Directors is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended May 1, 1993. \*
- (n) The Retirement Plan for Directors, as amended, is incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed for the quarter ended May 1, 1993. \*
- (o) The form of Indemnification Agreement between the Company and each of its officers and directors is incorporated herein by reference to Exhibit 10(r) to the Form 10-K filed for the fiscal year ended January 27, 1990. \*
- (p) The Trust Agreement dated as of April 8, 1988 between the Company and State Street Bank and Trust Company is incorporated herein by reference to Exhibit 10(y) to the Form 10-K filed for the fiscal year ended January 30, 1988. \*
- (q) The Trust Agreement dated as of April 8, 1988 between the Company and Shawmut Bank of Boston, N.A. is incorporated herein by reference to Exhibit 10(z) to the Form 10-K filed for the fiscal year ended January 30, 1988. \*

- (r) The Distribution Agreement dated as of May 1, 1989 between the Company and Waban Inc. is incorporated herein by reference to Exhibit 3 to the Company's Current Report on Form 8-K dated June 21, 1989.
- (s) The Services Agreement between the Company and Waban Inc. dated as of May 1, 1989 is incorporated herein by reference to Exhibit 4 to the Company's Current Report on Form 8-K dated June 21, 1989. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(dd) to the Form 10-K filed for fiscal year ended January 27, 1990. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(z) to the Form 10-K filed for fiscal year ended January 26, 1991. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(x) to the Form 10-K filed for the fiscal year ended January 25, 1992. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(s) to the Form 10-K filed for fiscal year ended January 30, 1993. Correspondence related to the Services Agreement is incorporated

herein by reference to Exhibit 10(s) to the Form 10-K filed for the fiscal year ended January 30, 1994.

- (t) The Agreement between the Company and Waban Inc. related to computer services dated as of January 29, 1995 is filed herewith.
- (u) The Executive Services Agreement between the Company and Waban Inc. dated as of June 1, 1989, with respect to the services of Sumner L. Feldberg is incorporated herein by reference to Exhibit 10(ff) to the Form 10-K filed for the fiscal year ended January 27, 1990.
- (v) The Executive Services Agreement between the Company and Waban Inc. dated as of June 1, 1989, with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(gg) to the Form 10-K filed for the fiscal year ended January 27, 1990. Amendment dated as of January 26, 1991 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(cc) to Form 10-K filed for the fiscal year ended January 26, 1991. Amendment No. 2 dated as of January 25, 1992 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(aa) to the Form 10-K filed for the fiscal year ended January 25, 1992. Amendment No. 3 dated as of January 30, 1993 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(u) to Form 10-K filed for the fiscal year ended January 30, 1993. Amendment No. 4 dated as of January 29, 1994 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(u) to the Form 10-K filed for the fiscal year ended January 29, 1994.

PAGE 16

- (w) The Agreement dated as of July 5, 1989 between the Company and Waban Inc. is incorporated herein by reference to Exhibit 10(hh) to the Form 10-K filed for the fiscal year ended January 27, 1990.

- (11) Statement re computation of per share earnings.

This statement is filed herewith.

- (13) Annual Report to security holders.

Portions of the Annual Report to Stockholders for the fiscal year ended January 28, 1995 are filed herewith.

- (21) Subsidiaries.

A list of the Registrant's subsidiaries is filed herewith.

- (23) Consents of experts and counsel.

The Consent of Coopers & Lybrand L.L.P. is contained on Page F-2 of the Financial Statements filed herewith.

- (24) Power of Attorney.

The Power of Attorney given by the Directors and certain Executive Officers of the Company is filed herewith.

\* Management contract or compensatory plan or arrangement.

PAGE 17

#### SIGNATURES

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

THE TJX COMPANIES, INC.

Dated: April 19, 1995

/s/ Donald G. Campbell  
Donald G. Campbell  
Senior Vice President - Finance

PAGE 18

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

/s/ BERNARD CAMMARATA  
Bernard Cammarata, President  
and Principal Executive Officer  
and Director

/s/ DONALD G. CAMPBELL  
Donald G. Campbell, Senior  
Vice President - Finance,  
Principal Financial and  
Accounting Officer

PHYLLIS B. DAVIS\*  
Phyllis B. Davis, Director

ROBERT F. SHAPIRO\*  
Robert F. Shapiro, Director

STANLEY H. FELDBERG\*  
Stanley H. Feldberg, Director

WILLOW B. SHIRE\*  
Willow B. Shire, Director

SUMNER L. FELDBERG\*  
Sumner L. Feldberg, Director

BURTON S. STERN\*  
Burton S. Stern, Director

ARTHUR F. LOEWY\*  
Arthur F. Loewy, Director

FLETCHER H. WILEY\*  
Fletcher H. Wiley, Director

JOHN M. NELSON\*  
John M. Nelson, Director

ABRAHAM ZALEZNIK\*  
Abraham Zaleznik, Director

Dated: April 19, 1995

\*By /s/ DONALD G. CAMPBELL  
Donald G. Campbell  
as attorney-in-fact

PAGE 19

FORM 10-K  
ANNUAL REPORT

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS  
AND  
FINANCIAL STATEMENT SCHEDULES

For the Fiscal Years Ended  
January 28, 1995, January 29, 1994  
and January 30, 1993

THE TJX COMPANIES, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

For Fiscal Years Ended January 28, 1995, January 29, 1994 and  
January 30, 1993

Report of Independent Accountants	30*
Consent of Independent Accountants	F-2
Selected Quarterly Financial Data (Unaudited)	36*
Consolidated Financial Statements:	
Consolidated Statements of Income for the fiscal years ended January 28, 1995, January 29, 1994 and January 30, 1993	16*
Consolidated Balance Sheets as of January 28, 1995 and January 29, 1994	17*
Consolidated Statements of Cash Flows for the fiscal years ended January 28, 1995, January 29, 1994 and January 30, 1993	18*
Consolidated Statements of Shareholders' Equity for the fiscal years ended January 28, 1995, January 29, 1994 and January 30, 1993	19*
Notes to Consolidated Financial Statements	21-29*

\* Refers to page numbers in the Company's Annual Report to Stockholders for the fiscal year ended January 28, 1995, certain portions of which pages are incorporated by reference in Part II, Item 8 of this report as indicated.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the Registration Statements of The TJX Companies, Inc. on Form S-3 (File No. 33-50259) and on Forms S-8 (File Nos. 2-79089 and 33-12220) of our report dated March 1, 1995, on our audits of the consolidated financial statements of The TJX Companies, Inc. as of January 28, 1995 and January 29, 1994 and for the years ended January 28, 1995, January 29, 1994 and January 30, 1993 which report is incorporated by reference in this Annual Report on Form 10-K.

Boston, Massachusetts  
April 19, 1995

Coopers & Lybrand L.L.P.

ZAYRE CORP.

Zayre Corp., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of this corporation is Zayre Corp. The date of filing its original Certificate of Incorporation with the Secretary of State was April 9, 1962. The date of filing its Restated Certificate of Incorporation with the Secretary of State was July 21, 1977.

2. This Second Restated Certificate of Incorporation restates and integrates the Restated Certificate of Incorporation of this corporation as heretofore amended and supplemented.

3. The text of the Second Restated Certificate of Incorporation is herein set forth in full:

SECOND RESTATED CERTIFICATE OF INCORPORATION  
OF  
Z A Y R E C O R P.

FIRST: The name of this corporation is

ZAYRE CORP.

SECOND: Its registered office in the State of Delaware is located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name and address of its registered agent is the Corporation Trust Company, 100 West Tenth Street, Wilmington, Delaware 19899.

THIRD: The nature of the business of this corporation and the objects or purposes to be transacted, promoted and carried on by it are as follows:

1. To engage generally in business in the field of merchandising, whether wholesale or retail or both.

2. To buy, design, develop, manufacture, produce, lease or otherwise acquire, and to prepare, finish or otherwise process, and to own, hold, use, store and transport, and to sell at wholesale or retail, transfer, distribute, export, consign, lease or otherwise dispose of, and generally to deal in and with, all kinds of merchandise, clothing, articles, equipment, supplies, goods, wares, foods, drugs, cosmetics and other articles of whatever nature.

3. To buy, construct, lease or otherwise acquire, and to own, hold, operate, manage, lease to others, grant or take concessions for, develop, improve, maintain and use, and to manage for others and to act as consultants with respect to, and to sell, convey or otherwise dispose of, stores, warehouses, shopping centers, parking lots, retail outlets and other facilities for use in connection with wholesale and retail merchandising, and land, buildings, facilities, equipment and all other property and assets for or incidental to any of the foregoing.

4. To carry on any manufacturing, selling, management, service or other business, operation or activity which is lawful to be carried on by a corporation organized under the General Corporation Law of the State of Delaware as amended, whether or not similar or related or incidental to or useful or advantageous in or in connection with the businesses, operations and activities referred to in the foregoing paragraphs.

5. To manufacture, produce, buy, lease or otherwise acquire, and to own, operate and use, and to sell, lease or otherwise dispose of, and generally to deal with and in, machinery, appliances, equipment, tools, parts, fixtures, facilities, motor vehicles, materials, supplies, goods,

merchandise and other articles and property of all kinds incidental to or useful in or in connection with any business, operation or activity in which this corporation is engaged or is authorized to engage.

6. To buy, construct, lease or otherwise acquire, and to own, hold, operate, develop, improve, maintain and use, and to sell, convey, lease or otherwise dispose of, and to grant easements, rights or interests in, lands, real estate, easements, leaseholds and other rights or interests in real estate, plants, structures, building equipment and real estate improvements incidental to or useful in or in connection with any business, operation or activity in which this corporation is engaged or is authorized to engage.

7. To apply for, obtain, keep in force and comply with all licenses and permits from governmental authorities and others which are deemed requisite or desirable in or in connection with any business, operation or activity in which this corporation is engaged or desires or is authorized to engage.

8. To apply for, obtain, register, devise, adopt, purchase, lease, take licenses or rights under or otherwise acquire, and to hold, own, develop, maintain, protect, operate under, exercise and use, and to grant licenses or rights under, sell, assign, transfer or otherwise dispose of, and generally to deal in and with, patents, trademarks, copyrights, inventions, improvements, processes, formulae, trade names, designs and similar properties and rights, and applications, registrations, reissues, renewals, licenses and other rights and interests for, in, to or under the same, and franchises, powers, rights, privileges, grants, concessions, immunities and guaranties from public authorities or others, all in or under the laws of the United States of America or any state or other government, country or place.

9. To subscribe for, purchase or otherwise acquire, and to hold and own, and to sell, assign, transfer or otherwise dispose of, and generally to deal in and with, securities, and while the holder or owner thereof to have and exercise all rights, powers and privileges of ownership, including the right to vote or consent or give proxies or powers of attorney therefor, and to carry on any business, operation or activity through a wholly or partly owned subsidiary.

3

10. To acquire by purchase, exchange, merger or consolidation or otherwise all or any part of the property and assets, including the business, good will, rights and franchises, of any corporation, association, trust, firm or individual wherever organized, created or located, and in payment or exchange therefor to pay cash, transfer property and issue securities to the transferor or its security holders and to assume or become liable for any liabilities and obligations, and to hold and operate or in any manner to dispose of all or any part of the property and assets so acquired.

11. To dispose by sale, exchange, merger or consolidation or otherwise of all or any part of the property and assets, including the business, good will, rights and franchises of this corporation, to any corporation, association, trust, firm or individual wherever organized, created or located, for cash or property, including securities, or the assumption of the liabilities and obligations of this corporation, and if desired, and subject to the rights of creditors and preferred stockholders, to distribute such cash, securities or other property to the security holders of this corporation in exchange for or in partial or complete liquidation or redemption of their securities.

12. To borrow money and obtain credit, and in consideration of money borrowed or for the purpose of sale or pledge or in order to pay, evidence or secure any liability or obligation, to execute, issue and deliver and sell, pledge or otherwise dispose of bonds, notes, debentures or other evidences of indebtedness, secured or unsecured, and to give security for any such bonds, notes, debentures or other evidences of indebtedness or for any purchase price, guaranty, line of credit, covenant, fidelity or performance bond or any other liability or obligation and any premium, interest and other sums due thereon or therewith and any covenants or obligations connected therewith; and for the foregoing purposes to

mortgage or pledge or execute an indenture of mortgage or deed of trust upon or create a lien upon or other security title or security interest in all or any part of the property and assets, real and personal, of this corporation, then owned or thereafter acquired.

13. To lend money, credit or security to, and to guarantee or assume any liabilities and obligations of, and to aid in any other manner, any corporation, association, trust, firm or individual, wherever organized, created or located, any of whose securities are held by this corporation or in whose affairs or prosperity this corporation has a lawful interest, and to do all acts and things designed to protect, improve or enhance the value of such securities or interest.

4

14. To execute, issue and deliver and to sell or otherwise dispose of securities of this corporation convertible into other securities, and options, warrants or rights to subscribe for or purchase securities of this corporation, to issue any of such options, warrants or rights to any employees of this corporation, and to maintain, operate and carry on for the benefit of any employees any pension, retirement, profit-sharing, bonus, health, disability, savings, loan, insurance, educational, social, recreational or similar plans or arrangements.

15. To make contributions for charitable, scientific or educational purposes or for the public welfare or for public purposes, including contributions to corporations, trusts, funds or foundations organized and operated for any such purposes, and including any such foundation organized by this corporation or by its directors or officers, and including contributions to governments or governmental bodies or agencies for public purposes, and any contributions which at the time are allowed as deductions from corporate gross income under the United States Internal Revenue Code as amended.

16. To do any and all acts and things in this Article Third set forth to the same extent as an individual might or could do, as principal, factor, consignee, agent, contractor or otherwise, and either alone or in conjunction or jointly with any corporation, association, trust, firm or individual, and, in general, to do any and all acts and things and to engage in any and all businesses whatsoever, necessary, suitable, advantageous or proper for or in connection with or incidental to the exercise, transaction, promotion, carrying on, accomplishment or attainment of any of the businesses, powers, purposes or objects in this Article Third set forth, excepting in every case all acts, things and business forbidden by law.

17. In this Article Third the word "securities" includes, to the extent that the context permits, stocks, shares, bonds, notes, debentures and other evidences of interest in or indebtedness of any corporation, association, trust or firm wherever organized, created or located, and notes and other evidences of indebtedness of any individual wherever located, and bonds, notes, debentures and other evidences of indebtedness of any country, state, county, city, town or other governmental body or agency wherever organized, created or located.

18. In this certificate of incorporation, unless it is otherwise expressly provided, the conjunctive includes the disjunctive and the singular includes the plural, and vice versa; verbs in the present or future include both present and future or either; the whole includes any part

5

or parts; no mention or inclusion of any particular example or specific enumeration shall be deemed to limit any general meaning; the statements of the businesses, objects and purposes of this corporation shall be construed both as objects and powers; the enumeration of specific powers shall not be held to limit or restrict in any manner the exercise by this corporation of the general powers conferred upon corporations by the laws of the State of Delaware, and no statement of any business, object or purpose shall be deemed to limit or be exclusive of any other stated business, object or purpose, but all are separate and cumulative and all may be transacted, promoted and carried on separately or together and at any time and from time to time, and any business, object or purpose may be transacted, promoted or carried on, and any property may be owned or held, in any part of the world; and references



to the certificate of incorporation mean the provisions of the certificate of incorporation (as that term is defined in the General Corporation Law of the State of Delaware) of this corporation as from time to time in effect, and references to the by-laws or to any requirement or provision of law mean the by-laws of this corporation or such requirement or provision of law as from time to time in effect.

FOURTH: The total number of shares of capital stock of all classes which this Corporation shall have authority to issue shall be forty-five million (45,000,000) shares, consisting of forty million (40,000,000) shares of Common Stock of the par value of one dollar (\$1.00) per share, amounting in aggregate to forty million dollars (\$40,000,000), and five million (5,000,000) shares of Preferred Stock of the par value of one dollar (\$1.00) per share, amounting in the aggregate to five million dollars (\$5,000,000).

The holders of the Common Stock shall be entitled to one vote for each share of Common Stock registered in the name of such holder, and there shall be no cumulative voting in elections for directors. The holders of the Common Stock shall be entitled to such dividends as may from time to time be declared by the Board of Directors, but only when and as declared by the Board of Directors out of any funds legally available for declaration of dividends, and subject to any provisions of this Certificate of Incorporation, as amended from time to time, or of resolutions of the Board of Directors adopted pursuant to authority herein contained, requiring that dividends be declared and/or paid upon the outstanding shares of Preferred Stock of any series or upon the outstanding shares of any other class of capital stock ranking senior to the Common Stock as to dividends as a condition to the declaration and/or payment of any dividend on the Common Stock; but no such provisions shall restrict

6

the declaration or payment of any dividend or distribution of the Common Stock payable solely in shares of Common Stock. In the event of the liquidation, dissolution or winding up of the affairs of the corporation, the holders of the Common Stock shall be entitled to share pro rata in the net assets available for distribution to holders of Common Stock after satisfaction of the prior claims of the holders of shares of Preferred Stock of any series and shares of any other class of capital stock ranking senior to the Common Stock as to assets, in accordance with the provisions of this Certificate of Incorporation, as amended from time to time, or of resolutions of the Board of Directors adopted pursuant to authority herein contained.

The Board of Directors is hereby authorized from time to time to provide by resolution for the issuance of shares of Preferred Stock in one or more series not exceeding the aggregate number of shares of Preferred Stock authorized by this Certificate of Incorporation, as amended from time to time, and to determine with respect to each such series, the voting powers, if any (which voting powers if granted may be full or limited), designations, preferences, the relative, participating, optional or other rights, and the qualifications, limitations and restrictions appertaining thereto, including, without limiting the generality of the foregoing, the voting rights appertaining to shares of Preferred Stock of any series (which may be one vote per share or a fraction of a vote per share, and which may be applicable generally or only upon the happening and continuance of stated events or conditions), the rate of dividend to which holders of Preferred Stock of any series may be entitled (which may be cumulative or noncumulative), the rights of holders of Preferred Stock of any series in the event of the liquidation, dissolution or winding up of the affairs of the Corporation and the rights (if any) of holders of Preferred Stock of any series to convert or exchange such shares of Preferred Stock of such series for shares of Common Stock or for shares of Preferred Stock of any other series or for shares of any other class of capital stock (including the determination of the price or prices or the rate or rates applicable to such rights to convert or exchange and the adjustments thereof, the time or times during which the right to convert or exchange shall be applicable and the time or times during which a particular price or rate shall be applicable).

Before the corporation shall issue any shares of Preferred Stock of any series, a certificate setting forth a copy of the resolution or resolutions of the Board of Directors fixing the voting powers, designations,

preferences, the relative, participating, optional and other rights, and the qualifications, limitations and restrictions appertaining to the shares of Preferred Stock of such series, and the number of shares of Preferred Stock

7

of such series authorized by the Board of Directors to be issued, shall be made under seal of the corporation and signed by the president or a vice-president and by the secretary or an assistant secretary of the corporation and acknowledged by such president or vice-president as provided by the laws of the State of Delaware and shall be filed and a copy thereof recorded in the manner prescribed by the laws of the State of Delaware.

No pre-emptive rights. No stockholder of this corporation shall have any pre-emptive or preferential right to purchase or subscribe to any shares of any class of this corporation now or hereafter to be authorized, or any notes, debentures, bonds or other securities convertible into, or carrying options or warrants to purchase, shares of any class now or hereafter to be authorized, whether or not the issue of any such shares or such notes, debentures, bonds or other securities would adversely affect the dividend or voting rights of such stockholder, other than such rights, if any, as the board of directors in its discretion from time to time may grant and at such price as the board of directors in its discretion may fix; and the board of directors may issue shares of any class of this corporation, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class, or options to purchase shares of any class, without offering any such shares or securities or options, either in whole or in part, to the existing stockholders of any class.

FIFTH: The minimum amount of capital with which this corporation will commence business is one thousand dollars (\$1,000.).

The board of directors, without the assent of or other action by the stockholders, may from time to time authorize the issue and sale of shares of stock of this corporation now or hereafter authorized, for such consideration and upon such terms as the board may determine.

SIXTH: This corporation is to have perpetual existence.

SEVENTH: The private property of the stockholders shall not be subject to the payment of corporate debts.

EIGHTH: The following provisions are inserted for the regulation and conduct of the affairs of this corporation, and it is expressly provided that they are intended to be in furtherance and not in limitation or exclusion of the powers elsewhere conferred herein or in the by-laws or conferred by law:

8

(a) Except as may be otherwise expressly required by law or by other provisions of this certificate of incorporation or by the by-laws, the board of directors shall have and may exercise, transact, manage, promote and carry on all of the powers, authorities, businesses, objects and purposes of this corporation.

(b) Certain Provisions Relating to Nomination, Election and Removal of Directors.

1. Election of Directors. Elections of directors need not be by written ballot unless the by-laws shall so provide. No director need be a stockholder.
2. Number, Election and Terms of Directors. Except as otherwise fixed pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors of the Corporation shall be fixed from time to time by or pursuant to the by-laws. The directors, other than those who may be elected by the holders of any class

or series of stock having preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, designated Class I, Class II and Class III, as nearly equal in number as possible, with the term of office of one Class expiring each year. At the annual meeting of stockholders in 1985, directors of Class I shall be elected to hold office for a term expiring at the next succeeding annual meeting, directors of Class II shall be elected to hold office for a term expiring at the second succeeding annual meeting, and directors of Class III shall be elected to hold office for a term expiring at the third succeeding annual meeting, with the members of each Class to hold office until their successors are elected and qualified. At each subsequent annual meeting of the stockholders of the Corporation, the successors to the Class of directors whose term expires at such meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

9

3. Stockholder Nomination of Director Candidates. Advance notice of nominations for the election of directors, other than by the Board of Directors or a Committee thereof, shall be given in the manner provided in the by-laws.
4. Newly Created Directorships and Vacancies. Except as otherwise fixed pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the Class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.
5. Removal of Directors. Except as otherwise fixed pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office without cause only by the affirmative vote of the holders of 66-2/3% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors voting together as a single class.

(c) By-laws. The Board of Directors and the stockholders shall each have the power to adopt, alter, amend and repeal the by-laws; and any by-laws adopted by

10

the directors or the stockholders under the powers conferred hereby may be altered, amended or repealed by the directors or by the stockholders; provided, however, that the by-laws shall not be altered, amended or repealed by

action of the stockholders, and no by-law shall be adopted by action of the stockholders, without the affirmative vote of the holders of at least 66-2/3% of the voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

(d) The board of directors may at any time set apart out of any of the funds of this corporation available for dividends a reserve or reserves for any proper purpose and may at any time reduce or abolish any such reserve. Any other proper reserves may also be carried.

(e) This corporation may purchase, hold, sell and transfer shares of its own capital stock, but shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital of this corporation, subject always to the right of this corporation to reduce its capital or to redeem any preferred or special shares out of capital as permitted by law. Shares of its own capital stock belonging to this corporation shall not be voted upon directly or indirectly. The purchase, acquisition or holding by this corporation of shares of its own capital stock shall not be deemed to constitute the retirement of such shares or a reduction of capital except as such shares are formally retired or the capital is formally reduced in accordance with the provisions of law therefor.

(f) Nothing in this certificate of incorporation shall be deemed to prohibit the reissue of any shares of capital stock of this corporation retired or reduced upon or in connection with any reduction of capital, but upon the filing and recording of the certificate of reduction such shares shall have the status of authorized and unissued shares of the class of stock to which such shares belong, if and to the extent permitted by law. So far as permitted by law the stockholders or board of directors authorizing or effectuating any reduction of capital may determine the manner in which such reduction shall be effected and the extent, if any, to which any assets shall be distributed to stockholders, and except as and to the extent that such a distribution is so authorized or provided for, no stockholder shall be entitled to demand any distribution of assets in connection with or as the result of any reduction of capital.

(g) The board of directors may from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the

11

accounts and books and papers of this corporation, or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account, book or document of this corporation, except as and to the extent expressly provided by law with reference to the right of stockholders to examine the original or duplicate stock ledger, or as otherwise expressly provided by law, or except as expressly authorized by resolution of the board of directors.

(h) The board of directors shall have the power to fix from time to time the compensation of its members. No person shall be disqualified from holding any office by reason of any interest. In the absence of fraud or bad faith, any director, officer or stockholder of this corporation individually, or any individual having any interest in any concern which is a stockholder of this corporation, or any concern in which any such directors, officers, stockholders or individuals have any interest, may be a party to, or may be pecuniarily or otherwise interested in, any contract, transaction or other act of this corporation, and

(i) such contract, transaction or act shall not be in any way invalidated or otherwise affected by that fact;

(ii) no such director, officer, or stockholder shall be liable to account to this corporation for any profit or benefit realized through any such contract, transaction or act; and

(iii) any such director of this corporation may be counted in determining the existence of a quorum at any meeting of the board of directors or of any committee thereof which shall authorize any such contract, transaction or act, and may vote to authorize the same,

provided, however, that any contract, transaction or act in which any director or officer of this corporation is so interested individually or as a director, officer, trustee or member of any concern which is not a subsidiary or affiliate of this corporation, or in which any directors or officers, respectively, are so interested as holders, collectively, of a majority of shares of capital stock or other beneficial interest at the time outstanding in any concern which is not a subsidiary or affiliate of this corporation, shall be duly authorized or ratified by a majority of the board of directors who are not so interested and to whom the nature of such interest has been disclosed. With respect to the matters herein contained,

12

- (a) the word "interest" shall include personal interest and interest as a director, officer, stockholder, shareholder, trustee, member or beneficiary of any concern;
- (b) the word "concern" shall mean any corporation, association, trust, partnership, firm, person or other entity other than this corporation; and
- (c) the phrase "subsidiary or affiliate" shall mean a concern in which a majority of the directors, trustees, partners or controlling persons are elected or appointed by the directors of this corporation, or are constituted of the directors or officers of this corporation.

To the extent permitted by law, the authorizing or ratifying vote of a majority in interest of each class of the capital stock of this corporation outstanding and entitled to vote for directors at an annual meeting or a special meeting duly called for the purpose (whether such vote is passed before or after judgment rendered in a suit with respect to such contract, transaction or act) shall validate any contract, transaction or act of this corporation, or of the board of directors or any committee thereof, with regard to all stockholders of this corporation, whether or not of record at the time of such vote, and with regard to all creditors and other claimants under this corporation, provided, however, that with respect to the authorization or ratification of contracts, transactions or acts in which any of the directors, officers or stockholders of this corporation have an interest, the nature of such contracts, transactions or acts and the interest of any director, officer or stockholder therein shall be summarized in the notice of any such annual or special meeting, or in a statement or letter accompanying such notice, and shall be fully disclosed at any such meeting, and provided also that stockholders so interested may vote at any such meeting, and provided further that any failure of the stockholders to authorize or ratify such contract, transaction or act shall not be deemed in any way to invalidate the same or to deprive this corporation, its directors, officers or employees of its or their right to proceed with such contract, transaction or act.

No contract, transaction or act shall be avoided by reason of any provision of this clause (h) which would be valid but for those provisions.

(i) The Corporation shall indemnify each person who is or was a director or officer of this Corporation against expenses (including attorney's fees), judgments, fines and amounts paid in settlement to the maximum extent permitted

13

from time to time under the General Corporation Law of the State of Delaware. Such indemnification shall not be exclusive of other indemnification rights arising under any by-law, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person.

(j) Special Voting Requirement for Defined Business Combinations. The affirmative vote of the holders of not less than 80 percent of the outstanding shares of Common Stock and the affirmative vote of the holders of not less than 67 percent of the outstanding shares of Common Stock held by stockholders other than a Related Person shall be required for the approval or authorization of any Business Combination; provided, however, that the 80 percent and 67

percent voting requirements shall not be applicable if:

Exceptions to Special Voting Requirements:

(1) The Continuing Directors by a two-thirds vote (a) have expressly approved in advance either the acquisition of outstanding shares of stock, or the issue or sale by the Corporation of shares of stock, that caused the Related Person to become a Related Person and (b) in advance of such acquisition or issue or sale have determined that the 80 percent and 67 percent voting requirements of this clause (j) of Article EIGHTH shall not be applicable to Business Combinations with such Related Person; or

(2) The Continuing Directors have approved the Business Combination; or

(3) The Business Combination is a merger or consolidation and the cash or fair market value of each of the property, securities or other consideration to be received per share by the holders of Common Stock in the Business Combination is not less than the highest per share price (with appropriate adjustments for recapitalizations and for stock splits, stock dividends and like distributions, such distributions to be valued as of the distribution date) paid by the Related Person in acquiring any of its holdings of Common Stock within the three-year period preceding the earlier of the Business Combination or the first public announcement of the proposal of the Business Combination.

Definitions

For the purposes of this clause (j) of Article EIGHTH:

(i) The term "Business Combination" shall mean any transaction or other arrangement meeting any of the following descriptions: (a) any merger or consolidation of the Corporation or a Subsidiary with or into a Related

14

Person or any other corporation which is, or after such merger or consolidation would be, an Affiliate of a Related Person; (b) any sale, lease, exchange, transfer or other disposition (including without limitation the creation of a mortgage or any other security device), in one transaction or a series of transactions, of any substantial part of the assets of the Corporation (including without limitation any voting securities of a Subsidiary) or of a Subsidiary to a Related Person or of an Affiliate of a Related Person; (c) any sale, lease, exchange, transfer or other disposition of any substantial part of the assets of a Related Person, or an Affiliate of a Related Person, to the Corporation or a Subsidiary; (d) the issuance by the Corporation or any Subsidiary of any securities of the Corporation or of a Subsidiary to a Related Person or an Affiliate of a Related Person, other than pursuant to an employee plan approved by the Continuing Directors and by the stockholders of the Corporation; (e) the acquisition by the Corporation or a Subsidiary of any securities of a Related Person or of an Affiliate of a Related Person; (f) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation or any other transaction (whether or not with or into or otherwise involving a Related Person) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Related Person or any Affiliate of any Related Person; (g) any transaction (including a merger or consolidation of the Corporation with or into a Subsidiary) occurring at a time when a Related Person exists in which the proportionate interests of the Stockholders of the Corporation in the assets of the Corporation are unchanged but as a result of which the provisions of this clause (j) of Article EIGHTH or substantially equivalent provisions would thereafter cease to be in effect; and (h) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination.

(ii) The term "Related Person" shall include any individual, corporation, partnership or other person or entity (each of the foregoing constituting a "Person") that together with its Affiliates and Associates owns in the aggregate five percent or more of the outstanding shares of the Common Stock of the Corporation, and any Affiliate or Associate of any such Person; provided, however, that (a) the term "Related Person" shall not include the Corporation or any Subsidiary or any Person that would have been a

Related Person if this clause (j) of Article EIGHTH had been in effect on December 31, 1982, or any present or future custodian, trustee or legal representative of such Person, and (b) any shares of Common Stock owned at any time by such Person, or by such custodian, trustee or legal

15

representative, shall not at any time be attributed to any other Person for determining whether such other Person is a Related Person. The exclusions set forth in (ii) (a) and (b) above shall cease to apply to any such excluded Person and his custodians, trustees and legal representatives and to shares owned by any of them on and after the date on which such Person ceases to own five percent or more of the outstanding shares of Common Stock of the Corporation.

(iii) The term "substantial part" shall mean assets having an aggregate fair value in excess of one million dollars.

(iv) A Person shall be deemed to own any Common Stock:

(a) 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 Securities Exchange Act of 1934 (the "Act"), as such Rule was in effect on December 31, 1982; or

(b) of which such Person would be the beneficial owner, as such term is defined under Section 16 of the Act and the rules of the Commission promulgated thereunder, as in effect on December 31, 1982; or

(c) which such Person or any of its Affiliates or Associates 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; or

(d) which such Person's relatives of the fourth degree of consanguinity or closer would be deemed to own pursuant to this provision.

(v) For the purposes of subparagraph (3) of this clause (j) of Article EIGHTH, the term "other consideration to be received" shall include, without limitation, Common Stock retained by its existing public stockholders in the event of a Business Combination in which the Corporation is the surviving corporation.

(vi) With respect to any proposed Business Combination, the term "Continuing Director" shall mean (a) any director who was a member of the Board of Directors of the Corporation on December 31, 1982, and (b) any director who was a member of the Board of Directors of the Corporation immediately prior to the time that any Related

16

Person involved in the proposed Business Combination became a Related Person (or, if the transaction involves more than one Related Person, immediately prior to the time the first of such Persons to become a Related Person became a Related Person) and (c) any director who is not an Affiliate or Associate of a Related Person and is recommended for his or her initial term of office by a two-thirds vote of Continuing Directors then on the Board.

(vii) "Affiliate" or "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated by the Commission under the Act, as such Rule was in effect on December 31, 1982.

(viii) "Subsidiary" shall mean any Person of which a majority of any class of equity security is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Related Person, the term "Subsidiary" shall mean only a Person of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

Amendment, Expiration and Extension

This clause (j) of Article EIGHTH (including the provisions set forth in this paragraph) may not be repealed

or amended in any respect, unless such action is approved by the affirmative vote of the holders of not less than 80 percent of the outstanding shares of Common Stock; provided, however, that if there is a Related Person, such action must also be approved by the affirmative vote of the holders of not less than 67 percent of the outstanding shares of Common Stock held by stockholders other than the Related Person. Notwithstanding the preceding sentence, this clause (j) of Article EIGHTH shall expire at the Annual Meeting of Stockholders to be held in 1990, unless its continuance for a fixed or indefinite period has been specifically approved at any time before that date by an affirmative majority of the outstanding shares of Common Stock.

(k) Stockholder Action. Any action required or permitted to be taken by the stockholders of the Corporation, or any class or series thereof, must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of stockholders of the Corporation may be called only by the Chairman of the Board, the President or the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors.

17

(l) Certain Amendments, etc. Notwithstanding anything contained in this Certificate of Incorporation to the contrary, the affirmative vote of the holders of at least 66-2/3% of the voting power of all shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend, adopt any provision inconsistent with, or repeal, paragraphs (b), (c), (k) or this paragraph (l) of this Article EIGHTH or any provision hereof or thereof.

NINTH: Subject to the applicable provisions (if any) of this certificate of incorporation, this corporation reserves the right to amend, alter, change, add to or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF, Zayre Corp. has caused this certificate to be signed by Sumner Feldberg, its Chairman of the Board, and Newton A. Lane, its Secretary, and its corporate seal affixed hereto, this 4th day of June, 1985. This certificate is to be filed with the Secretary of State of the State of Delaware, and recorded with the Recorder of Deeds of New Castle County, Delaware, pursuant to Sections 104 and 245 of the General Corporation Law of the State of Delaware.

ZAYRE CORP.

By /s/ Sumner Feldberg  
Sumner Feldberg,  
Chairman of the Board

Attest /s/ Newton A. Lane  
Newton A. Lane,  
Secretary

18



CERTIFICATE OF AMENDMENT

OF

SECOND RESTATED CERTIFICATE OF INCORPORATION

OF

ZAYRE CORP.

\* \* \* \* \*

Pursuant to Section 242 of the General Corporation Law of  
the State of Delaware

We, Arthur F. Loewy, Executive Vice President-Finance, and  
Jay H. Meltzer, Assistant Secretary, of ZAYRE CORP. (the  
"Corporation"), a corporation organized and existing under the  
laws of the State of Delaware, do hereby certify under the seal  
of the Corporation as follows:

1. The Second Restated Certificate of Incorporation of the Corporation is hereby amended by striking out the first paragraph of Article Fourth as it now exists and inserting a new first paragraph of Article Fourth, in lieu and instead thereof, to read as follows:

"FOURTH: The total number of shares of capital stock of all classes which this Corporation shall have authority to issue shall be one hundred fifty-five million (155,000,000) shares, consisting of one hundred fifty million (150,000,000) shares of Common Stock of the par value of one dollar (\$1.00) per share, amounting in the aggregate to one hundred fifty million dollars (\$150,000,000), and five million (5,000,000) shares of Preferred Stock of the par value of one dollar (\$1.00) per share, amounting in the aggregate to five million dollars (\$5,000,000)."

2. The Board of Directors of the Corporation at a meeting held on April 11, 1986 recommended that the foregoing amendment be adopted by the stockholders and the foregoing amendment has been duly adopted by the vote of a majority of the shares of outstanding Common Stock of the Corporation entitled to vote thereon at the Annual Meeting of Stockholders of the Corporation held on June 3, 1986.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 3rd day of June, 1986.

/s/ A. F. Loewy  
Arthur F. Loewy  
Executive Vice President-Finance

Attest: /s/ Jay H. Meltzer  
Assistant Secretary

(Corporate Seal)

CERTIFICATE OF AMENDMENT

OF

SECOND RESTATED CERTIFICATE OF INCORPORATION

OF

ZAYRE CORP.

Pursuant to Section 242 of the Delaware General Corporation Law

We, Arthur F. Loewy, Executive Vice President - Finance, and Jay H. Meltzer, Secretary, of ZAYRE CORP. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, do hereby certify under the seal of the Corporation as follows:

1. The Second Restated Certificate of Incorporation, as amended, of the Corporation is hereby further amended by adding the following clause (m) of Article EIGHTH after clause (l) of Article EIGHTH, to read as follows:

(m) A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this provision to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the full extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

2. The Board of Directors at its April 9, 1987 meeting recommended that the foregoing amendment be adopted by the stockholders and the foregoing amendment has been duly adopted by the vote of a majority of the shares of outstanding Common Stock of the Corporation entitled to vote thereon at the Annual Meeting of Stockholders of the Corporation held on June 2, 1987.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 2nd day of June, 1987.

/s/ A. F. Loewy  
Arthur F. Loewy  
Executive Vice President - Finance

Attest: /s/ Jay H. Meltzer  
Jay H. Meltzer  
Secretary

(Corporate Seal)

CERTIFICATE OF AMENDMENT

OF

SECOND RESTATED CERTIFICATE OF INCORPORATION

OF

ZAYRE CORP.

Pursuant to Section 242 of the General Corporation Law of the State of Delaware

We, Donald G. Campbell, Senior Vice President, Chief Financial Officer, and Jay H. Meltzer, Secretary, of ZAYRE CORP. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, do hereby certify under the seal of the Corporation as follows:

1. The Second Restated Certificate of Incorporation, as amended, of the Corporation is hereby further amended to provide that Article FIRST read in its entirety as follows:

FIRST: The name of this corporation is The TJX Companies, Inc.

2. The Board of Directors at its April 6, 1989 meeting recommended that the foregoing amendment be adopted by the stockholders and the foregoing amendment has been duly adopted by the vote of a majority of the shares of outstanding Common Stock of the Corporation entitled to vote thereon at the Annual Meeting of Stockholders of the Corporation held on June 20, 1989.

3. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 20th day of June, 1989.

/s/ Donald G. Campbell  
Donald G. Campbell  
Senior Vice President,  
Chief Financial Officer

Attest: /s/ Jay H. Meltzer  
Jay H. Meltzer  
Secretary

(Corporate Seal)

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS  
OF  
NEW SERIES A CUMULATIVE CONVERTIBLE PREFERRED STOCK  
(\$1.00 PAR VALUE PER SHARE)

of

THE TJX COMPANIES, INC.

Pursuant to Section 151(g) of the  
General Corporation Law of the  
State of Delaware

We, Donald G. Campbell, Senior Vice President - Finance, and Jay H. Meltzer, Secretary, of The TJX Companies, Inc. (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware,

DO HEREBY CERTIFY:

FIRST: The Second Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), of the Corporation authorizes the issuance of 5,000,000 shares of preferred stock, \$1.00 par value per share ("Preferred Stock"), in one or more series, and further authorizes the Board of Directors of the Corporation to provide by resolution for the issuance of shares of Preferred Stock in one or more series not exceeding the aggregate number of shares of Preferred Stock authorized by the Certificate of Incorporation and to determine with respect to each such series, the voting powers, if any (which voting powers if granted may be full or limited), designations, preferences, the relative, participating, optional and other rights, and the qualifications, limitations and restrictions appertaining thereto.

SECOND: A resolution providing for and in connection with the issuance of the Preferred Stock was duly adopted by the Finance Committee (the "Finance Committee") of the Board of Directors pursuant to authority conferred on the Finance Committee by the Board of Directors, and on the Board of Directors (which fixed the voting rights with respect to the shares designated herein) by the provisions of the Certificate of Incorporation as aforesaid, which resolution provides as follows:

RESOLVED: that the Board of Directors, pursuant to authority vested in it by the provisions of the second restated certificate of incorporation, as amended (the "Certificate of Incorporation"), of The TJX Companies, Inc. (the "Corporation"), hereby authorizes the issuance of a series of cumulative convertible preferred stock ("Convertible Preferred Stock") of the Corporation and hereby establishes the powers, designations, preferences, and the relative, participating, optional and other rights, and the qualifications, limitations and restrictions appertaining thereto in addition to those set forth in such Certificate of Incorporation (or otherwise provided by law) as follows (the following, referred to hereinafter as "this resolution" or "this Certificate of Designations", is to be filed as part of a certificate of Designations under Section 151(g) of the General Corporation Law of the State of Delaware):

1. General

(a) Designation and Number. The designation of Convertible Preferred Stock created by this resolution shall be New Series A Cumulative Convertible Preferred Stock, \$1.00 par value per share, of the Corporation (hereinafter referred to as the "New Series A Preferred Stock"), and the number of shares of New Series A Preferred Stock which the Corporation shall be authorized to issue shall be 250,000 shares.

(b) Priority. The Series A Preferred Stock shall rank (i) prior to the Common Stock (as hereinafter defined), (ii) prior to the Corporation's Permitted Junior Preferred (as hereinafter defined) (iii) on a parity with the Corporation's Series A Cumulative Convertible Preferred Stock, \$1.00 par value per share (the "Existing Series A Preferred Stock") and (iv) prior to any other capital stock of the Corporation (other than as permitted in the exception to Section 1(c)(i) below) in each case as to dividends and upon liquidation, dissolution or winding up.

(c) Restrictions. Except as permitted in Section 7(a) hereof, so long as any shares of New Series A Preferred Stock remain outstanding, the Corporation shall not at any time (any of the actions described below, the "Restricted Actions"):

2

(i) create, authorize or issue, or increase the amount of shares authorized for issuance of, any class or series of capital stock ranking prior to or on a parity with the Series A Preferred Stock as to dividends or upon liquidation, dissolution or winding up; except that the Corporation may create, authorize and issue preferred stock ranking on a parity with the New Series A Preferred Stock as to dividends or upon liquidation, dissolution or winding up, in one or more series or classes, with such powers, designations, preferences, and relative, participating, optional and other rights, voting powers, if any, and qualifications, limitations and restrictions appertaining thereto, and in such number of shares, as the Board of Directors of the Corporation may hereafter authorize in accordance with the terms of the Certificate of Incorporation, but:

- (x) the rights of such parity preferred stock shall not restrict or prohibit the Corporation from performing its obligations under this Certificate of Designations;
- (y) the rights of the holders of such parity preferred stock shall be limited, with respect to a distribution of assets upon liquidation, dissolution or winding up, to (A) a fixed sum, stated sum or percentage of a fixed or stated sum plus any premium applicable to a particular series all of which sums and premiums do not in the aggregate exceed \$100,000,000 (aggregating all shares of such parity preferred stock issued or authorized for issuance and without regard to class or series) (such amount applicable to any share of parity preferred stock being herein referred to as the "Stated Liquidation Value") plus (B) an amount equal to accrued and unpaid dividends thereon; and
- (z) in no event shall such parity preferred stock be created, authorized or issued unless the rights of the holders thereof shall be limited, with respect to dividends and payments to be received by the holder thereof upon redemption (whether optional or mandatory), to a fixed sum or percentage of a fixed sum or, in the case of dividends, a sum determined by reference to a formula based on a published index of interest rates, an interest rate publicly announced by a

3

financial institution or similar indicator of interest rates, except that the terms of any such parity preferred stock (which is convertible into shares of Common Stock) may provide for payments to be received by the holder thereof in the event of a mandatory redemption as a result of a change of control of the Corporation based upon the market price of the underlying Common Stock (to the same extent provided for hereunder with respect to the New Series A Preferred Stock in Section 4(c) (ii) hereof),

(such parity preferred stock, the "Parity Preferred Stock"); (any such Parity Preferred Stock shall not be considered to be New Series A Preferred Stock hereunder); the term "Parity Preferred Stock" shall also include the Existing Series A Preferred Stock so long as any shares of such Existing Series A Preferred Stock are outstanding;

(ii) create, authorize or issue, or increase the authorized amount of shares for issuance of, any class or series of capital stock ranking junior to the New Series A Preferred Stock but prior to the Common Stock (as defined in Section 1(d) hereof) as to dividends or upon liquidation, dissolution or winding up, other than the following capital stock, which shall rank junior to

the New Series A Preferred Stock but prior to the Common Stock as to dividends or upon liquidation, dissolution or winding up, but provided that

- (A) such capital stock shall be limited with respect to dividends, to a fixed sum or percentage of a fixed sum or a sum determined by reference to a formula based on a published index of interest rates, an interest rate publicly announced by a financial institution or similar indicator of interest rates and, with respect to a distribution of assets upon liquidation, dissolution or winding up or with respect to payments to be received by the holder thereof upon redemption (whether optional or mandatory), to a fixed sum or percentage of a fixed sum, except that the terms of any such junior preferred stock (which is convertible into shares of Common Stock) may provide for payments to be received by the holder thereof in the event of a mandatory redemption as a result of a change

4

in control of the Corporation based upon the market price of the underlying Common Stock (to the same extent provided for hereunder with respect to the New Series A Preferred Stock in Section 4(c)(ii) hereof, (such capital stock, the "Permitted Non-Participating Junior Preferred"); or

- (B) such capital stock (the "Permitted Rights Plan Preferred Stock"), including the Corporation's Series B Participating Preferred Stock, \$1.00 par value per share (the "Permitted Series B Preferred Stock"), is issued or issuable in connection with a shareholder rights plan that provides for the issuance of rights to the holders of Common Stock to purchase or receive, upon, redemption, exercise or exchange, capital stock or debt securities (or rights to acquire such capital stock or debt securities) of the Corporation or of another issuer or cash; provided that (x) such plan does not discriminate in any way (other than the notice to be provided to holders of New Series A Preferred Stock as described below) against any holder of New Series A Preferred Stock as such (whether by language or operation), including, without limitation, restricting (1) the ability to convert into Common Stock under the terms hereof and (2) the ability to receive rights under such plan with respect to Common Stock acquired by conversion hereunder which rights are generally available to holders of Common Stock; (y) the Corporation shall notify the holders of the New Series A Preferred Stock at least five (5) Business Days prior to (I) the date which under the terms of such plan causes or triggers the rights issued thereunder to be exercisable by any person and (II) the date on which such rights (or the right to receive such rights) terminate or expire, such notice in the case of clause (I) to describe in reasonable detail the terms of such rights and the manner of operation of the plan upon the occurrence of such triggering event; and (z) such plan otherwise complies with this Section 1(c) in all respects and any capital stock of the Corporation issued or issuable under or in connection with such plan does not violate clauses (i), (iii), (iv), (vi), (vii) or

5

(viii) of this Section 1(c) (the Permitted Rights Plan Preferred Stock, together with the Permitted Non-Participating Junior Preferred, are hereinafter collectively referred to as the "Permitted Junior Preferred");

and any provision (other than this Section 1(c), Section 7(a) and Section 8 hereof) in this resolution to the contrary notwithstanding, there shall be no restriction on the issuance, detachment, exercise, exchange or redemption of rights, whether for stock or cash or other securities of a combination thereof of the Corporation or of another person, pursuant to the

Corporation's Shareholder Rights Plan dated April 26, 1988, as amended and as may be hereafter amended, provided that such plan, either on the terms set forth therein as of the date hereof or as so amended, complies with the foregoing clause (B) (the "Shareholder Rights Plan");

(iii) create, authorize or issue any class or series of common stock other than the class of Common Stock presently authorized for issuance under the Certificate of Incorporation as in effect on April 14, 1992, subject to changes to the terms thereof hereafter made to the Certificate of Incorporation; provided that (A) there shall be no more than one class (and there shall be no series) of Common Stock and (B) the Corporation will not permit the par value or the determined or stated value of any shares of the Common Stock receivable upon the conversion of the shares of New Series A Preferred Stock to exceed the amount payable therefor upon such conversion and (C) the Corporation will not take any action which results in any adjustment of the current conversion price under this Certificate of Designations if the total number of shares of Common Stock then available for issuance upon conversion of all shares of New Series A Preferred Stock (and upon conversion of all other then outstanding shares of the Corporation's capital stock convertible into Common Stock) would be insufficient to satisfy all such conversion rights at the then current conversion prices (after any adjustments);

(iv) amend the Certificate of Incorporation or By-laws of the Corporation, or in any other manner alter or change the powers, rights, privileges or preferences of the New Series A Preferred Stock, if such amendment or action would adversely affect the powers, rights, privileges or preferences of the holders of the New

6

Series A Preferred Stock; except that the Corporation may amend the Certificate of Incorporation to:

- (x) create and authorize the Parity Preferred Stock or any Permitted Junior Preferred; or
- (y) increase the amount of shares of Common Stock or Permitted Junior Preferred authorized for issuance; or
- (z) amend the terms of any Parity Preferred Stock, Permitted Junior Preferred, or Common Stock in a manner consistent with the above clauses (i), (ii) and (iii);

(v) increase the number of shares of New Series A Preferred Stock authorized for issuance;

(vi) create, authorize or issue any series or class of stock or any other option, warrant, obligation or right exercisable for, or any security convertible into, any capital stock other than capital stock which is permitted under clauses (i), (ii) or (iii) above;

(vii) amend this Certificate of Designations;

(viii) at any time issue any shares of New Series A Preferred Stock other than pursuant to the exchange of shares of Existing Series A Preferred Stock for New Series A Preferred Stock (excluding the issuance of share certificates upon transfers or exchanges of shares by holders (other than the Company) or upon replacement of lost, stolen, damaged or mutilated share certificates); or

(ix) at any time issue any shares of Existing Series A Preferred Stock.

(d) Certain Definitions. For purposes of this Certificate of Designations, the following terms shall have the meanings indicated:

(i) "Business Day" means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York or The Commonwealth of Massachusetts or The Commonwealth of Pennsylvania are authorized or obligated by law or executive order to close.

(ii) "Change of Control Event" means the occurrence of any of the following events:

- (A) the Corporation is voluntarily liquidated or is the subject of any voluntary dissolution or winding-up (including without limitation a merger in which the Corporation is not the surviving corporation, but excluding a merger of the Corporation into a subsidiary as a result of which transaction (x) such subsidiary is the surviving corporation, (y) the Corporation's certificate of incorporation is continued as the certificate of incorporation of the surviving corporation (with such immaterial changes as may be necessary to effectuate the merger) and (z) all of the shareholders of the Corporation immediately prior to such transaction constitute all of the shareholders of such subsidiary immediately following such transaction, each with the same shares (on the same terms) of capital stock of the surviving corporation as each had with the Corporation (such excluded merger, a "Permitted Merger"));
- (B) the Corporation proceeds to acquire its Common Stock (or undertakes a corporate reorganization or recapitalization or other action) if the effect of such acquisition (or other action) would be either (i) to reduce substantially or to eliminate the primary public market for the shares of the Corporation's Common Stock or (ii) to remove the Corporation from registration with the Commission under the Securities Exchange Act or (iii) to require the Corporation to make a filing under Section 13(e) of the Securities Exchange Act or (iv) to cause a delisting of the Corporation's Common Stock from the New York Stock Exchange; or
- (C) the sale, lease, transfer or other disposition through voluntary liquidation or other voluntary action, of all or substantially all of the consolidated assets of the Corporation and its subsidiaries in a single transaction or series of related transactions.

(iii) "Common Stock" means the Corporation's Common Stock, as presently authorized by the Certificate of

Incorporation and as such Common Stock may hereafter be changed or for which such Common Stock may be exchanged after giving effect to the terms of such change or exchange (by way of reorganization, recapitalization, merger, consolidation or otherwise).

(iv) "Control Adjustment Event" means the occurrence of any of the following events:

- (A) any person or group (within the meaning of Section 13 (d)(3) of the Securities Exchange Act, whether or not the Corporation has any capital stock subject to such Section) together with any affiliates and associates of any such person or member of such group (within the meaning of Rule 12b-2 under the Securities Exchange Act, whether or not the Corporation has any capital stock subject to such Section), shall at any time beneficially own (within the meaning of Rule 13d-3 under the Securities Exchange Act, whether or not the Corporation has any capital stock subject to such Section) shares of Common Stock of the Corporation which represents in excess of either (A) fifty-one percent (51%) of the total votes entitled to be cast by all outstanding shares of the Common Stock of the Corporation or (B) fifty-one percent (51%) of all outstanding shares of the Common Stock of the Corporation; or
- (B) at any time, a majority of the members of the Board of Directors of the Corporation are persons other than persons each of whom was both (i) nominated as a director for his or her then current term by the Corporation's



Board of Directors and was recommended by the Board to the Corporation's shareholders for election as a member of the Board and (ii) a member of the Board for at least one (1) year prior to such term (except that a person chosen by the Board as a successor to a director who died in office, resigned from the Board because of a disability, or retired, shall be deemed to have satisfied this clause (ii)); or

- (C) the Corporation is involuntarily liquidated or is the subject of any involuntary dissolution or winding-up or any involuntary sale, lease

9

or transfer or other involuntary disposition of all or substantially all of the consolidated assets of the Corporation and its subsidiaries in a single transaction or series of related transactions.

(v) "Convertible Debentures" means the 7 1/4% Convertible Subordinated Debentures due 2010 of Zayre Corp., the terms of which are set forth in the Indenture, dated as of July 1, 1985 between Zayre Corp. and The First National Bank of Chicago; as such Debentures and Indenture are in effect on the date hereof, as may be amended from time to time (other than amendments affecting the conversion rate or rights or antidilution adjustment rights of the holders thereof).

(vi) "full cumulative dividends" means as of any date the amount of accumulated, accrued and unpaid dividends payable on shares of New Series A Preferred Stock as provided by Section 2 hereof, whether or not earned or declared and whether or not there shall be funds legally available for the payment thereof. For purposes of Section 2(f) hereof, "full cumulative dividends on Parity Preferred Stock" refers to full cumulative dividends payable on shares of Parity Preferred Stock instead of New Series A Preferred Stock as provided by the terms thereof, provided that such Parity Preferred Stock has been created, authorized and issued in accordance with the terms of Section 7(a) hereof. For purposes of Section 2(b) hereof, "full cumulative dividends on Existing Series A Preferred Stock" means as of any date the amount of accumulated, accrued and unpaid dividends payable on shares of Existing Series A Preferred Stock as provided under the Certificate of Designations, Preferences and Rights of the Series A Cumulative Convertible Preferred Stock (\$1.00 par value per share) of the Company filed with the Secretary of State of Delaware on April 14, 1992 (the "Existing Series A Certificate").

(vii) "Non-Dilutive Dividends" are Permitted Common Dividends under clause (x) (B) of the definition herein of "Permitted Common Dividends."

(viii) "Permitted Common Dividends" are any dividends on or in respect of the Corporation's Common Stock payable either:

- (x) in cash:

10

(A) out of the retained earnings of the Corporation in excess of any Non-Dilutive Dividends ("Dilutive Dividends") or

(B) as regular quarterly dividends in an aggregate amount per share with respect to any fiscal year of the Corporation equal to the sum of (i) \$0.46 per share plus (ii) an amount which does not exceed ten percent (10%) of the amount, if any, that earnings per share of the Common Stock as publicly reported from continuing operations of the Corporation for the immediately preceding fiscal year of the Corporation exceed \$1.00 plus (iii) one or more increases in any quarterly dividend rate or rates, which in the aggregate do not exceed \$0.0115 after the close of business on April 14, 1992; (provided, that this clause (B) shall at no time require any decrease in the then dividend rate; and provided, further, that such per share amounts under this clause (B) shall be subject to appropriate adjustments for stock splits or stock

subdivisions and stock combinations): or

(y) in shares of the capital stock of the Corporation and rights to acquire such stock so long as the issuance of such capital stock is not prohibited under Section 1(c) hereof;

so long as, in the case of clause (x) above, at the time such dividend is declared and paid full cumulative dividends with respect to the shares of New Series A Preferred Stock through the most recent dividend payment date shall have been paid in full in cash.

(ix) "Permitted Junior Dividends" means any regularly scheduled dividends on the Permitted Junior Preferred so long as at the time such dividends are declared and paid (1) full cumulative dividends with respect to the New Series A Preferred Stock through the most recent dividend payment date shall have been paid in full in cash and (2) all amounts to be paid upon the redemption of any New Series A Preferred Stock, Parity Preferred Stock or Permitted Junior Preferred which on or prior to such time has been called for redemption (or for which a redemption date has been scheduled as a result of notice from any holder thereof) have been paid in full in cash or declared and set aside for payment in cash.

11

(x) "Person" or "person" means an individual, corporation, partnership, firm, association, joint venture, trust, unincorporated organization, government, governmental body, agency, political subdivision or other entity.

(xi) "Rule 144" means (i) Rule 144 under the Securities Act of 1933, as amended, as such rule is in effect from time to time and (ii) any successor rule, regulation or law, as in effect from time to time.

(xii) "Securities Exchange Act" means the Securities Exchange Act of 1934, as from time to time amended, and the rules, regulations and interpretations thereunder.

(xiii) "Transfer Agent" means State Street Bank and Trust Corporation, or any other national or state bank or trust company having combined capital and surplus of at least \$100,000,000 and designated by the Corporation as the transfer agent and/or registrar of the New Series A Preferred Stock, or if no such designation is made, the Corporation.

(xiv) The words "hereof", "herein" and "hereunder" and other words of similar import refer to this Certificate of Designations as a whole and not to any particular Section or other subdivision.

(xv) References herein to the Certificate of Incorporation include such Certificate as amended by this Certificate of Designations.

## 2. Dividend Rights.

(a) General Dividend Obligations. The Corporation shall pay, when and as declared by the Corporation's Board of Directors, to the holders of the New Series A Preferred Stock, out of the assets of the Corporation legally available therefor, cash dividends at the times, in the amounts and with such priorities as are provided for in this Section 2.

(b) Accrual of Dividends. Dividends on each share of New Series A Preferred Stock shall accrue cumulatively on a daily basis from and including the most recent Dividend Payment Date (as defined in the Existing Series A Certificate) through which full cumulative dividends on the Existing Series A Preferred Stock have been paid (such date, the "Carryover Dividend Accrual Date"; provided that, if there is no such Dividend Payment Date (as defined in the

12

Existing Series A Certificate) through which full cumulative dividends on the Existing Series A Preferred Stock have been so paid prior to the issuance of such share of New Series A Preferred Stock, then the "Carryover Dividend Accrual Date" shall be deemed to be April 15, 1992) to and including the date on which the redemption or conversion of such share of

New Series A Preferred Stock shall have been effected, whether or not such dividends shall have been declared and whether or not there shall be (at the time such dividends accrue or become payable or at any other time) profits, surplus, capital or other funds of the Corporation legally available for the payment of dividends and whether or not there are other legal or contractual restrictions on the declaration or payment of such dividends. The date on which the Corporation shall initially issue any share of New Series A Preferred Stock shall be deemed to be its "date of issuance" regardless of the number of times transfer of such share of New Series A Preferred Stock shall be made on the stock records maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such share of New Series A Preferred Stock (whether by reason of transfer of such share of New Series A Preferred Stock or for any other reason).

(c) Dividend Rates. Dividends shall accrue cumulatively on each share of New Series A Preferred Stock from the Carryover Dividend Accrual Date at a rate per annum equal to \$8.00 per share of New Series A Preferred Stock calculated on the basis of the actual number of days elapsed in a year.

(d) Payment Dates. Full cumulative dividends on the New Series A Preferred Stock shall be payable quarterly, on April 1, July 1, October 1 and January 1 in each year (each, a "Dividend Payment Date"). The first Dividend Payment Date shall be October 1, 1992. If any Dividend Payment Date shall be on a day other than a Business Day, then the Dividend Payment Date shall be on the next succeeding Business Day. An amount equal to the full cumulative dividends shall also be payable, in satisfaction of such dividend obligation, upon liquidation as provided under Section 3 hereof, upon redemption as provided under Section 4 hereof, and upon conversion as provided under Section 5 hereof.

(e) Amounts Payable. The amount of dividends payable on New Series A Preferred Stock on each Dividend Payment Date shall be the full cumulative dividends which are unpaid through and including such Dividend Payment Date. Dividends which are not paid for any reason whatsoever on a

13

Dividend Payment Date shall cumulate until paid and shall be payable on the next Dividend Payment Date on which payment can lawfully be made (or upon liquidation, redemption or conversion as provided herein). Holders of shares of Preferred Stock called for redemption on a redemption date falling between the close of business on a dividend payment record date and the opening of business on the corresponding Dividend Payment Date shall, in lieu of receiving such dividend payment on the Dividend Payment Date fixed therefor, receive an amount equal to such dividend payment (consisting of all accumulated and unpaid dividends through and including the redemption date) on the date fixed for redemption (unless such holder converts such shares of Preferred Stock in accordance with Sections 5 and 6 hereof). If a conversion of shares of Preferred Stock occurs between a dividend payment record date and the corresponding Dividend Payment Date, the dividends payable on the conversion date under Section 5 hereof shall be calculated through and including such conversion date. If, for whatever reason (i) any share of New Series A Preferred Stock has not been converted into Common Shares (as defined in Section 5 hereof) pursuant to Section 5 hereof on a conversion date, or (ii) all payments have not been made with respect to any share of New Series A Preferred Stock as required by Section 3 on a distribution date or all payments have not been made with respect to any share of New Series A Preferred Stock as required by Section 4 on a redemption date (other than because of a failure by the holder thereof to tender such shares for payment on such date) then, notwithstanding any other provision hereof, dividends shall continue to accumulate on such outstanding shares until paid.

(f) Priority.

(i) So long as any shares of the New Series A Preferred Stock are outstanding, no dividends, except as described in the next succeeding sentence, shall be declared or paid or set apart for payment on any class or series of Parity Preferred Stock for any period unless full cumulative dividends, if any, on all outstanding shares of the shares of New Series A Preferred Stock have been or contemporaneously are (x) declared and paid in full in cash or (y) declared and a sum sufficient for the payment thereof in cash is set apart for such payment on the shares of New Series A Preferred

Stock through the most recent Dividend Payment Date and so long as any shares of Parity Preferred Stock are outstanding, no dividends, except (1) as described in the next succeeding sentence and (2) for distributions made to holders of New Series A Preferred Stock from the escrow established under Section 6(b) hereof as provided by such Section 6(b), shall

14

be declared or paid or set apart for payment on any class or series of New Series A Preferred Stock for any period unless full cumulative dividends, if any, on all outstanding shares of Parity Preferred Stock have been or contemporaneously are (A) declared and paid in full in cash or (B) declared and a sum sufficient for the payment thereof in cash is set apart for such payment on the outstanding shares of Parity Preferred Stock through the most recent applicable dividend payment date for such Parity Preferred Stock. When dividends are not paid in full or a sum sufficient for such payment is not set apart, as aforesaid, upon the shares of the New Series A Preferred Stock and upon any class or series of Parity Preferred Stock, all dividends (other than distributions made to holders of New Series A Preferred Stock from the escrow established under Section 6(b) hereof as provided by such Section 6(b) declared upon shares of the New Series A Preferred Stock and all dividends declared upon such Parity Preferred Stock shall be declared pro rata so that the amounts of dividends per share declared on the New Series A Preferred Stock (other than distributions made to holders of Series A Preferred Stock from the escrow established under Section 6(b) hereof as provided by such Section 6(b) and such Parity Preferred Stock shall in all cases bear to each other the same ratio that full cumulative dividends per share at the time on the shares of New Series A Preferred Stock and on such Parity Preferred Stock bear to each other. Holders of shares of the New Series A Preferred Stock or of any other class or series of stock ranking on a parity as to dividends with the New Series A Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends on such shares. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments in respect of the New Series A Preferred Stock which may be in arrears.

(ii) So long as any shares of the New Series A Preferred Stock are outstanding, no shares of Parity Preferred Stock shall be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund or otherwise for the purchase or redemption of any shares of any such stock) by the Corporation (excluding conversion of shares of Parity Preferred Stock into shares of Common Stock or other consideration, including common stock, provided that such other consideration reflects only amounts previously set aside or otherwise required to be paid to the holders of shares of Parity Preferred Stock

15

(x) in order to provide such holders with the same kind and amount of consideration which each such holder would have received in the transaction giving rise to such set aside or payment requirement (a "Distribution Event") had such holder's shares of Parity Preferred Stock been converted into Common Stock immediately prior to the record date of such Distribution Event, or

(y) as a result of adjustments to the conversion price (or rate) of the Parity Preferred Stock required under the terms of such Parity Preferred Stock because of the occurrence of an event or transaction (including a Distribution Event), or

(z) as a result of the occurrence of an event or transaction which requires the Parity Preferred Stock to be convertible solely into shares of common stock)

unless the full cumulative dividends, if any, on all outstanding shares of the New Series A Preferred Stock shall have been paid in full in cash or set apart for payment in cash through the most recent Dividend Payment Date.

So long as any shares of Parity Preferred Stock are outstanding, no shares of New Series A Preferred Stock shall be redeemed, purchased or otherwise acquired for any consideration (or any moneys paid to or made available for

the purchase or redemption of any shares of any such stock) by the Corporation (excluding conversion of shares of New Series A Preferred Stock into shares of Common Stock or other consideration, including common stock, provided that such other consideration reflects only amounts previously set aside or otherwise required to be paid to the holders of shares of New Series A Preferred Stock

(x) in order to provide such holders with the same kind and amount of consideration which each such holder would have received in the transaction giving rise to such set aside or payment requirement (a "Distribution Event") had such holder's shares of New Series A Preferred Stock been converted into Common Stock immediately prior to the record date of such Distribution Event, or

(y) as a result of adjustments to the conversion price (or rate) of the New Series A Preferred Stock required under the terms of such New Series A Preferred Stock because of the occurrence of an

16

event or transaction (including a Distribution Event), or

(z) as a result of the occurrence of an event or transaction which requires the New Series A Preferred Stock to be convertible solely into shares of common stock)

unless full cumulative dividends, if any, on all outstanding shares of Parity Preferred Stock shall have been paid in full in cash or set apart for payment in cash through the most recent applicable dividend payment date for such Parity Preferred Stock.

(iii) So long as any shares of the New Series A Preferred Stock are outstanding, (A) no dividends shall be declared or paid or set apart for payment and no other distribution shall be declared or made or set apart for payment, in each case upon the Common Stock (other than dividends paid in shares of Common Stock made to the holders of Common Stock), Permitted Junior Preferred or any other stock of the Corporation ranking junior to the New Series A Preferred Stock as to dividends or upon liquidation, dissolution or winding-up unless such dividends are Permitted Common Dividends or Permitted Junior Dividends and (B) no Common Stock, Permitted Junior Preferred or any other such stock of the Corporation ranking junior to the New Series A Preferred Stock as to dividends or upon liquidation, dissolution or winding up shall be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund or otherwise for the purchase or redemption of any shares of any such stock) by the Corporation unless the full cumulative dividends, if any, on all outstanding shares of the New Series A Preferred Stock and any Parity Preferred Stock shall have been paid in full in cash or set apart for payment in cash through the most recent Dividend Payment Date and the most recent dividend payment dates with respect to any Parity Preferred Stock.

### 3. Liquidation Rights.

(a) Priority. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (but not including a liquidation which is a merger where the Corporation is the surviving corporation and the capital stock of the Corporation has been unchanged or a merger which is a Permitted Merger (as defined in Section 1(d) (ii) (A) hereof)), before any payment or distribution of the assets of the Corporation (whether from

17

capital or surplus) shall be made to or set apart for the holders of Common Stock, Permitted Junior Preferred or any other series or class or classes of stock of the Corporation ranking junior to the New Series A Preferred Stock and the Parity Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of New Series A Preferred Stock and the holders of any class or series of Parity Preferred Stock entitled to a liquidation preference in such transaction or event shall be entitled to receive liquidation payments according to the following priorities (unless such priorities are waived, as provided below in this Section 3(a)):

First,

(i) if such liquidation, dissolution or winding up occurs on or after April 1, 2001, the holders of the shares of New Series A Preferred Stock shall receive \$100 per share and the holders of shares of such Parity Preferred Stock shall receive the applicable Stated Liquidation Value per share of such Parity Preferred Stock then outstanding; and

(ii) if such liquidation, dissolution or winding up occurs before April 1, 2001, (A) the holders of shares of New Series A Preferred Stock shall receive an amount equal to the Redemption Price that would have been payable if the Corporation had elected to redeem such holder's shares of New Series A Preferred Stock pursuant to Section 4(a) hereof on the date of such liquidation, dissolution or winding up, and if such liquidation, dissolution or winding up occurs during the period prior to April 1, 1995, an amount equal to the Redemption Price that would be payable if the Corporation elected to redeem such shares pursuant to Section 4(a) hereof during the period for April 1, 1995 through March 31, 1996, except that in calculating such Redemption Price under Section 4(a), the relevant amount (i.e., \$104.80) which is otherwise to be used under Section 4(a) shall be increased by an additional \$0.80 for each twelve months (or fraction thereof) prior to April 1, 1995, disregarding for such purposes any prohibitions or restrictions or redemption contained in Section 4(a) hereof and (B) the holders of shares of such Parity Preferred Stock shall receive the applicable Stated Liquidation Value per share of Parity Preferred Stock then outstanding or a per share liquidation amount (excluding accumulated and unpaid dividends) such as that provided in this clause (ii) with respect to the

18

New Series A Preferred Stock; and then after all amounts under this part First have been so paid,

Second,

(iii) The holders of shares of New Series A Preferred Stock and the holders of shares of such Parity Preferred Stock shall each receive an amount equal to full cumulative unpaid dividends with respect to their respective shares through and including the date of final distribution to such holders, but such holders shall not be entitled to any further payment.

No payment (in either of the First step or Second step provided above), whether pursuant to Section 3(a) (i), 3(a) (ii) or 3(a) (iii) hereof, on account of any liquidation, dissolution or winding up of the Corporation shall be made to the holders of any class or series of such Parity Preferred Stock or to the holders of New Series A Preferred Stock unless there shall likewise be paid at the same time to the holders of the New Series A Preferred Stock and the holders of all classes or series of such Parity Preferred Stock like proportionate amounts of the same payments (at the same level, i.e., as the First step or the Second step above), such proportionate amounts to be determined ratably in proportion to the full amounts to which the holders of all outstanding shares of New Series A Preferred Stock and the holders of all outstanding shares of such Parity Preferred Stock are respectively entitled (in either the First step or the Second step, as the case may be) with respect to such distribution. A holder of shares of New Series A Preferred Stock may elect to waive receiving any payment under this Section 3(a) with respect to a liquidation, dissolution or winding up of the Corporation by giving written notice of such waiver to the Corporation, provided that such notice is given within ten days after notice is given to such holder under Section 3(c) hereof.

(b) Junior Stock. After payment shall have been made in full to the holders of New Series A Preferred Stock and to the holders of such Parity Preferred Stock as provided in this Section 3 hereof upon any liquidation, dissolution or winding up of the Corporation, any other series or class or classes of stock, ranking junior to the New Series A Preferred Stock upon liquidation, dissolution or winding up shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed upon such liquidation, dissolution or winding up, and the holders of

19

New Series A Preferred Stock and the holders of such Parity Preferred Stock shall not be entitled to share therein.

(c) Notice of Liquidation. Written notice of any liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when and the place or places where the amounts distributable in such circumstances shall be payable, shall be given (not less than thirty (30) days prior to any payment date stated therein), to the holders of record of the New Series A Preferred Stock at their respective addresses as the same shall appear on the stock register of the Corporation.

#### 4. Redemption.

(a) Optional Redemption. Subject to the other provisions of this Section 4, the Corporation may at any time on or after April 1, 1995, redeem, at the Corporation's option and out of funds legally available therefor, any or all shares of New Series A Preferred Stock during the twelve month periods (the "Redemption Periods") and at the per share redemption prices set forth below (each a "Redemption Price"), plus an amount equal to full cumulative dividends thereon through and including the date of redemption:

Twelve month period beginning	Redemption Price per share
April 1, 1995	\$104.80
April 1, 1996	\$104.00
April 1, 1997	\$103.20
April 1, 1998	\$102.40
April 1, 1999	\$101.60
April 1, 2000	\$100.80
April 1, 2001 and thereafter	\$100.00

Upon surrender, in accordance with the notice provided under Section 4(b) hereof, of the certificate for any shares of New Series A Preferred Stock so redeemed (duly endorsed or accompanied by appropriate instruments of transfer), each holder of record of such shares shall be entitled to receive in cash the Redemption Price, without interest, for each share redeemed from such holder plus an amount in cash equal to full cumulative dividends on such shares through and including such date of redemption. If less than all the outstanding shares of New Series A Preferred Stock are to be redeemed, the shares to be redeemed shall be redeemed pro rata from all holders of then outstanding shares of New Series A Preferred Stock. In case fewer than all the shares represented by any share certificate are redeemed, a new certificate shall be issued representing the unredeemed

20

shares without cost to the holder thereof. The Corporation shall not be permitted to redeem shares of New Series A Preferred Stock under this Section 4(a) unless the Corporation pursuant to such redemption, simultaneously redeems either (x) at least 10,000 shares of New Series A Preferred Stock or (y) all of the then outstanding shares of New Series A Preferred Stock. Notwithstanding any provision of this Section 4, the Corporation shall not redeem any shares of New Series A Preferred Stock pursuant to Section 4(a) unless either (x) full cumulated dividends accrued as of the then most recent Dividend Payment Date have been paid in full or (y) all of the then outstanding shares of New Series A Preferred Stock are simultaneously redeemed.

(b) Notice of Optional Redemption. The Corporation will provide written notice of any redemption of shares of New Series A Preferred Stock under Section 4(a) hereof to holders of record of the New Series A Preferred Stock not less than thirty (30) nor more than sixty (60) days prior to the date fixed for such redemption. Each such notice shall state, as appropriate, the following:

(i) the redemption date (which shall be a Business Day);

(ii) the number of shares of New Series A Preferred Stock to be redeemed and, if less than all the shares held by any holder are to be redeemed the number of such shares to be redeemed from each holder;

(iii) the Redemption Price;

(iv) the place or places where certificates for such shares are to be surrendered for redemption; and

(v) the amount equal to full cumulative dividends payable per share of New Series A Preferred Stock to be

redeemed to and including such redemption date, and that dividends on shares of New Series A Preferred Stock to be redeemed will cease to accrue on such redemption date unless the Corporation shall default in payment of the full redemption payment.

(c) Mandatory Redemption. Upon the occurrence of any Change of Control Event, each holder of a share of New Series A Preferred Stock shall have the right, at such holder's option, to require the Corporation to redeem such holder's shares of New Series A Preferred Stock in whole or in part at a price (the "Mandatory Redemption Price") equal to the greater of

21

(i) the sum of

(A) an amount equal to full cumulative dividends thereon through and including such redemption payment date, plus

(B) an amount equal to the Redemption Price that would have been payable if the Corporation had elected to redeem such holder's shares of New Series A Preferred Stock pursuant to Section 4(a) hereof on the date such holder gives notice to the Corporation under Section 4(d) hereof of such holder's exercise of its option to require a redemption under this Section 4(c), and if such notice is given by a holder under Section 4(d) hereof during the period prior to April 1, 1995, an amount equal to the Redemption Price that would be payable if the Corporation elected to redeem such shares pursuant to Section 4(a) hereof during the period from April 1, 1995 through March 31, 1996, except that in calculating such Redemption Price under Section 4(a), the relevant amount (i.e., \$104.80) which is otherwise to be used under Section 4(a) shall be increased by an additional \$0.80 for each twelve months (or fraction thereof) prior to April 1, 1995, disregarding for such purposes any prohibitions or restrictions on redemption contained in Section 4(a) hereof; or

(ii) the sum of

(A) the product of (x) the greater of (1) the Market Price (as defined in Section 6(g) hereof) per share of Common Stock on the date such holder gives notice to the Corporation under Section 4(d) hereof of such holder's exercise of its option to require a redemption under this Section 4(c) or (2) the price per share of Common Stock received by any other stockholder of the Corporation in one or more series of related transactions resulting in such Change of Control Event, multiplied by (y) the number of Common Shares (as defined in Section 6 hereof) then obtainable upon conversion of such holder's shares of New Series A Preferred Stock to be redeemed, plus

(B) any Distributions on Common Stock (together with any earnings while escrowed) set aside pursuant to Section 6(b) hereof in respect of the New Series A Preferred Stock to be redeemed (to the extent such escrowed amount has not been previously distributed to the holder of such New Series A Preferred Stock).

22

Such option under this Section 4(c) shall be exercised by written notice to the Corporation under Section 4(d) hereof given at any time from and after the thirtieth (30th) day before such Change of Control Event through the ninetieth (90th) day after such Change of Control Event (or, if later, through the ninetieth (90th) day after such holder receives written notice from the Corporation of such Change of Control Event). Promptly (and in any event within ten (10) days) after the occurrence of any Change of Control Event, and not more than forty-five (45) days before such Change of Control Event, the Corporation shall give written notice to each holder of a share of New Series A Preferred Stock notifying each such holder of the occurrence of such Change of Control Event and informing each such holder of its right to exercise an option to require a redemption under this Section 4(c).

(d) Notice of Mandatory Redemption. In order to exercise its rights to require a redemption under Section 4(c) hereof, a holder requiring such redemption shall send to the Corporation a written notice demanding redemption under Section 4(c) hereof and specifying the date of such



redemption (which shall not be less than five (5) days after receipt of such notice by the Corporation, but in no event earlier than such Change of Control Event, except that such date may be the same date as a Change of Control Event (whether or not a Business Day) if requested by the holder); except that in the event that prior to the date fixed for mandatory redemption by any holder of shares of New Series A Preferred Stock pursuant to this Section 4(d) (the "Put"), the Corporation gives notice of optional redemption to such holder pursuant to Section 4(b) hereof (the "Call"), to the extent that:

(i) the Call concerns a greater number of such holder's shares of New Series A Preferred Stock than the Put, the Corporation shall be entitled to exercise the optional redemption for all such shares subject to such Call; and

(ii) the Put concerns a greater number of shares of such holder's shares of New Series A Preferred Stock than the Call, the Corporation shall be entitled to exercise the optional redemption for all shares which are subject to the Call, and after such optional redemption by the Corporation, the holder may continue to exercise its rights pursuant to the Put.

(e) Redemption Funds. On the date of any redemption being made pursuant to Section 4(a), the

23

Corporation may, without releasing the Corporation from any of its obligations hereunder, deposit for the benefit of the holders of shares of New Series A Preferred Stock to be redeemed the funds necessary for such redemption with a bank or trust company in the City of New York or in the City of Boston, in either case having a capital and surplus of at least \$100,000,000; provided, (i) that such bank or trust company shall then pay the full redemption amounts as provided for hereunder to the holders of shares of New Series A Preferred Stock and (ii) at least ten (10) days prior to such redemption date, the Corporation shall give the holders written notice containing the full particulars regarding the location of the funds for the redemption payments and the use of this Section 4(e). Any moneys so deposited by the Corporation and unclaimed at the end of two years from the date designated for such redemption shall revert to the general funds of the Corporation. After such reversion, any such bank or trust company shall, upon demand, pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company shall be relieved of all responsibility in respect thereof and any holder of shares of New Series A Preferred Stock to be redeemed shall look only to the Corporation for the payment of the Redemption Price. Notwithstanding the foregoing, however, to the extent that the Corporation is required under the abandoned property laws of any jurisdiction to escheat any redemption funds held in trust for the benefit of any holder, the Corporation shall be absolved of any further obligation or liability to such holder to the full extent provided by any such laws. In the event that moneys are deposited pursuant to this subsection (e) in respect of shares of New Series A Preferred Stock that are converted in accordance with the provisions of Section 5, such moneys shall, upon such conversion, revert to the general funds of the Corporation and, upon demand, such bank or trust company shall pay over to the Corporation such moneys and shall be relieved of all responsibility to the holders of such converted shares in respect thereof. Any interest accrued on funds deposited pursuant to this subsection (e) shall be paid from time to time to the Corporation for its own account.

(f) Failure to Redeem. In the event that on any date for redemption pursuant to Section 4(c) hereof, the Corporation, for whatever reason, is unable to, or does not, pay in full the Mandatory Redemption Price or other amounts due to any holder or holders of shares of New Series A Preferred Stock, then (without releasing the Corporation from its obligations under Section 4(c) hereof), the amount paid by the Corporation to all holders of shares of New Series A Preferred Stock pursuant to Section 4(c) hereof who send

24

written notices to the Corporation pursuant to Section 4(d) hereof within thirty (30) days of each other, shall be allocated among all such holders of shares of New Series A Preferred Stock in proportion, as nearly as practicable, to the respective number of shares of New Series A Preferred Stock then held by each such holder; provided, that in the event that the amount so allocable to any such holder would

exceed the amount to be received by such holder pursuant to such holder's notice, then any such excess shall be allocated to the other remaining holders of shares of New Series A Preferred Stock requesting redemption; provided, further, however, that in the event a holder of New Series A Preferred Stock makes an election to adjust the then current conversion price pursuant to Section 6(h)(y) hereof, the Corporation shall have no obligation to pay the Mandatory Redemption Price under Section 4(c) hereof with respect to such shares.

(g) Rights After Redemption. If notice of redemption shall have been duly given under Section 4(b) or Section 4(d), and if on or before the redemption date funds necessary for the redemption of the shares of New Series A Preferred Stock to be redeemed shall have been set aside pursuant to Section 4(e) hereof, then notwithstanding that any certificate representing any shares of New Series A Preferred Stock so called for redemption shall not have been surrendered, the dividends thereon shall cease to accrue from and after the date of redemption and all rights with respect to the shares of New Series A Preferred Stock so called for redemption shall forthwith after such redemption date cease, except only the right of the holder to receive the Redemption Price plus an amount equal to full cumulative dividends thereon through and including the date of redemption (or the Mandatory Redemption Price, as the case may be). Any share of New Series A Preferred Stock which has been redeemed under Section 4(a) or 4(c) hereof, as to which all amounts payable thereunder have been paid in full in cash (or set aside for payment in cash pursuant to Section 4(e) hereof), shall be retired and restored to the status of authorized but unissued Preferred Stock of the Corporation (which Preferred Stock remains subject to the restrictions set forth in Section 1(c) hereof and which may not be reissued as New Series A Preferred Stock).

(h) No Selective Repurchase Offers. Neither the Corporation nor any of its subsidiaries shall repurchase any outstanding shares of New Series A Preferred Stock unless the Corporation either (i) offers to purchase all of the then outstanding shares of New Series A Preferred Stock or (ii) offers to purchase shares of New Series A Preferred Stock from the holders in proportion to the respective number of

25

shares of New Series A Preferred Stock held by each holder accepting such offer; provided, that this Section 4(h) shall not apply to any shares of New Series A Preferred Stock which are sold or transferred either in a public offering pursuant to a registration statement under Section 6 of the Securities Act of 1933, as amended or pursuant to Rule 144 (but only if sold in "brokers' transactions" under Rule 144(g) as in effect on April 14, 1992). In any such repurchase by the Corporation, if all shares of such New Series A Preferred Stock are not being repurchased, then the number of shares of such New Series A Preferred Stock offered to be repurchased shall be allocated among all shares of such New Series A Preferred Stock held by holders which accept the Corporation's repurchase offer so that such shares of New Series A Preferred Stock are repurchased from such holders in proportion to the respective number of such shares of New Series A Preferred Stock held by each such holder which accepts the Corporation's offer (or in such other proportion as agreed by all such holders who accept the Corporation's offer). Nothing in this Section 4(h) shall (i) obligate a holder of shares of New Series A Preferred Stock to accept the Corporation's repurchase offer or (ii) prevent the Corporation from redeeming shares of New Series A Preferred Stock in accordance with the terms of (and this Section 4(h) shall not apply to) Sections 4(a) through 4(g) hereof.

## 5. Conversion.

(a) General. Each holder of a share of New Series A Preferred Stock shall have the right, at the option of such holder, at any time to convert, upon the terms and provisions of this Section 5, one or more shares of New Series A Preferred Stock into fully paid and nonassessable shares of Common Stock of the Corporation or any capital stock or other securities into which such Common Stock shall have been changed or any capital stock or other securities resulting from a reclassification thereof (such shares, the "Common Shares"). Such conversion of shares of New Series A Preferred Stock to Common Shares shall be made at a conversion rate of one share of New Series A Preferred Stock for a number of Common Shares equal to (x) \$100 divided by (y) the then current conversion price, as further described below. Every share of New Series A Preferred Stock shall continue to be convertible, in whole or in part, even though the Corporation or a holder may have given notice of

redemption with respect to such share of New Series A Preferred Stock or any part thereof pursuant to Section 4 hereof, so long as such share of New Series A Preferred Stock and the holder's election to convert shall have been delivered to the Corporation's transfer office pursuant to

26

Section 5(c) hereof five (5) Business Days prior to the date fixed for such redemption. The Common Shares issuable upon conversion of the shares of New Series A Preferred Stock, when such Common Shares shall be issued in accordance with the terms hereof, are hereby declared to be and shall be duly authorized, validly issued, fully paid and nonassessable Common Shares held by the holders thereof.

(b) Reference to "Conversion". For convenience, the conversion pursuant to this Section 5 of all or a part of the shares of New Series A Preferred Stock into Common Shares is herein sometimes referred to as the "conversion" of the shares of New Series A Preferred Stock.

(c) Surrender, Election and Payment. Each share of New Series A Preferred Stock may be converted by the holder thereof, in whole or in part, during normal business hours on any Business Day by surrender of the share of New Series A Preferred Stock, accompanied by written evidence of the holder's election to convert the preferred share of New Series A Preferred Stock or portion thereof, to the Corporation at its office designated pursuant to Section 8 hereof (or, if such conversion is in connection with an underwritten public offering of Common Shares, at the location at which the underwriting agreement requires that such Common Shares (or shares of New Series A Preferred Stock) be delivered). Payment of the conversion price for the Common Shares specified in such election shall be made by applying an aggregate number of shares of New Series A Preferred Stock equal to the number obtained by dividing (x) the number of Common Shares specified in such election by (y) the amount obtained by dividing (A) 100 by (B) the then current conversion price. Such holder shall thereupon be entitled to receive the number of Common Shares specified in such election (plus cash in lieu of any fractional share as provided in Section 5(j) hereof).

(d) Effective Date. Each conversion of a share of New Series A Preferred Stock pursuant to Section 5(c) hereof shall be deemed to have been effected immediately prior to the close of business on the Business Day on which such share of New Series A Preferred Stock shall have been surrendered to the Corporation as provided in Section 5(c) hereof (except that if such conversion is in connection with an underwritten public offering of Common Shares, then such conversion shall be deemed to have been effected upon such surrender), and such conversion shall be at the current conversion price in effect at such time. On each such day that the conversion of a share of New Series A Preferred Stock is deemed effected, the person or persons in whose name or names any certificate

27

or certificates for Common Shares are issuable upon such conversion, as provided in Section 5(e) hereof, shall be deemed to have become the holder or holders of record of such Common Shares.

(e) Share Certificates. As promptly as practicable after the conversion of a share of New Series A Preferred Stock, in whole or in part, and in any event within five (5) Business Days thereafter (unless such conversion is in connection with an underwritten public offering of Common Shares, in which event concurrently with such conversion), the Corporation as its expense (including the payment by it of any applicable issue, stamp or other taxes, other than any income taxes) will cause to be issued in the name of and delivered to the holder thereof or as such holder may direct, a certificate or certificates for the number of Common Shares to which such holder shall be entitled upon such conversion on the effective date of such conversion plus cash in lieu of any fractional shares as provided in Section 5(j) hereof.

(f) Retirement of Converted Shares. Any share of New Series A Preferred Stock which has been converted under Section 5 hereof shall be retired and restored to the status of authorized but unissued Preferred Stock of the Corporation (which Preferred Stock remains subject to the restrictions set forth in Section 1(c) hereof and which may not be reissued as New Series A Preferred Stock).

(g) Payment of Dividends. Within five (5) Business Days after receipt of any share of New Series A

Preferred Stock and an election to convert all or a portion of such share of New Series A Preferred Stock under Section 5(c) hereof, the Corporation will pay, out of funds legally available therefor, to the holder of such share of New Series A Preferred Stock in cash an amount equal to full cumulative dividends accrued to the effective date of conversion of such shares of New Series A Preferred Stock.

(h) Current Conversion Price. The term "conversion price" shall mean initially, subject to adjustment, the lesser of (i) \$21.00 per Common Share or (ii) an amount equal to the conversion price per Common Share (as defined in the Existing Series A Certificate) of the Existing Series A Preferred Stock pursuant to the terms of the Existing Series A Certificate (as in effect on the close of business on August 11, 1992) taking into account any and all adjustments to such conversion price required to be made by the terms of such Existing Series A Certificate. For purposes of this Section 5(h), such initial conversion price shall be deemed to have become effective at the close of

28

business on August 11, 1992 but shall be subject to adjustment as set forth in Section 6 hereof. The term "current conversion price" as used herein shall mean the conversion price, as the same may be adjusted from time to time as hereinafter provided, in effect at any given time. In determining the current conversion price, the result shall be expressed to the nearest \$0.01, but any such lesser or greater amount shall be carried forward and shall be considered at the time of (and together with) the next subsequent adjustment which, together with any adjustments to be carried forward, shall amount to \$0.01 per Common Share or more and provided that to the extent that at the close of business on August 11, 1992, there are any carried forward adjustments under the Existing Series A Preferred Stock which were required to be carried forward by the Corporation pursuant to Section 5(h) of the Existing Series A Certificate, adjustments in the same amount as such carried forward adjustments shall be made to the conversion price hereunder at the time of (and together with) the first adjustment to the conversion price hereunder which, together with such adjustments and any other adjustments to be carried forward hereunder, shall amount to \$0.01 per Common Share or more.

(i) Reservation of Shares of Common Stock. The Corporation shall at all times reserve and keep available out of authorized but unissued the maximum number of shares of Common Stock into which all shares of New Series A Preferred Stock from time to time outstanding are convertible, but shares of Common Stock held in the treasury of the Corporation may, in its discretion, be delivered upon any conversion of shares of New Series A Preferred Stock.

(j) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of New Series A Preferred Stock, but, in lieu of any fraction of a Common Share which would otherwise be issuable in respect of the aggregate number of shares of New Series A Preferred Stock surrendered by the holder thereof for conversion, the holder shall have the right to receive an amount in cash equal to the same fraction of the current Market Price (as defined below) on the effective date of the conversion of such shares of New Series A Preferred Stock.

#### 6. Adjustment to Conversion Price.

The Conversion Price shall be adjusted, from time to time, as follows:

29

(a) Adjustments for Stock Dividends, Recapitalizations, Etc. In case the Corporation shall, after August 11, 1992, (w) pay a stock dividend or make a distribution (on or in respect of its Common Stock) in shares of its Common Stock, (x) subdivide the outstanding shares of its Common Stock, (y) combine the outstanding shares of its Common Stock into a smaller number of shares, or (z) issue by reclassification of shares of its Common Stock, any shares of capital stock of the Corporation, then, in any such case, the current conversion price in effect immediately prior to such action shall be adjusted to a price such that if the holder of a share of New Series A Preferred Stock were to convert such share of New Series A Preferred Stock in full immediately after such action, such holder would be entitled to receive the number of shares of capital stock of the

Corporation which such holder would have owned immediately following such action had such share of New Series A Preferred Stock been converted immediately prior thereto (with any record date requirement being deemed to have been satisfied), and, in any such case, such conversion price shall thereafter be subject to further adjustments under this Section 6. An adjustment made pursuant to this subsection (a) shall become effective retroactively immediately after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

(b) Adjustments for Certain Other Distributions.

In case the Corporation shall, after April 15, 1992, fix a record date for the making of a distribution to holders of its Common Stock (including any such distribution made in connection with a consolidation or merger in which the Corporation is the continuing corporation) of

(i) assets (but not including Non-Dilutive Dividends), including Dilutive Dividends,

(ii) evidences of indebtedness or other securities (except for its Common Stock) of the Corporation or of any entity other than the Corporation, or

(iii) subscription rights, options or warrants to purchase any of the foregoing assets or securities, whether or not such rights, options or warrants are immediately exercisable

(all such distributions referred to in clauses (i), (ii) and (iii) being hereinafter collectively referred to as "Distributions on Common Stock"), the Corporation shall set

30

aside in an escrow reasonably acceptable to the holders of a majority of the shares of New Series A Preferred Stock then outstanding, and with respect to cash, suitably invested for the benefit of the holders of shares of New Series A Preferred Stock, the Distribution on Common Stock to which they would have been entitled if they had converted all of the shares of New Series A Preferred Stock held by them for the Corporation's Common Stock immediately prior to the record date for the purpose of determining stockholders entitled to receive such Distribution on Common Stock (or with respect to Distributions on Common Stock occurring before August 12, 1992, the Distribution on Common Stock to which they would have been entitled if shares of New Series A Preferred Stock had been issued to them as of such date (and as if this Certificate of Designations had been in effect as of such date) and if they had converted such shares held by them for the Corporation's Common Stock immediately prior to such record date) and any such Distribution on Common Stock (together with any earnings while escrowed) shall thereafter be distributed (unless any of the subscription rights, option or warrants referred to in clause (iii) above terminate or expire in accordance with their terms prior to their distribution out of such escrow) from time to time out of such escrow to persons converting shares of New Series A Preferred Stock (immediately upon conversion) and to any holder of shares of New Series A Preferred Stock which are being redeemed pursuant to Section 4 hereof (immediately upon such redemption) to the extent such Distribution on Common Stock relates to the portion of the shares of New Series A Preferred Stock then being converted or redeemed, as the case may be; provided, that in the event that full cumulative dividends on all outstanding shares of the New Series A Preferred Stock shall not have been paid in full in cash or set aside for payment in cash through any Dividend Payment Date occurring while any Distributions on Common Stock are held in escrow pursuant to this Section 6(b), then the Corporation shall promptly declare a mandatory dividend per share of New Series A Preferred Stock, out of funds legally available therefor, of such Distributions on Common Stock held in escrow in respect of each share of New Series A Preferred Stock. Written notice of any such dividend shall be provided to each holder of New Series A Preferred Stock at least 10 days prior to the payment thereof. Any holder of New Series A Preferred Stock may waive the right to receive such dividend by giving written notice of such waiver to the Corporation prior to the payment thereof. Any holder who does not elect to so waive the right to receive such dividend shall (i) upon receipt thereof be deemed to waive any right thereafter to receive upon conversion of such shares of New Series A Preferred Stock such Distributions on Common Stock

31

distributed in such dividend and (ii) shall as a condition to receipt of such dividend submit the certificate or certificates representing such shares of New Series A Preferred Stock to the Corporation for the imposition thereon of a legend conspicuously noting the waiver pursuant to clause (i) hereof of the right to receive such Distributions on Common Stock upon conversion of such shares of New Series A Preferred Stock. Any such mandatory dividend of such Distribution on Common Stock shall not modify, affect or restrict the rights of such holder to receive any dividends or distributions under, or reduce the amount of dividends or distributions payable pursuant to, Section 2 hereof.

(c) Adjustments for Issuances of Additional Stock. Subject to the exceptions referred to in Section 6(e) hereof, in case the Corporation shall at any time or from time to time after August 11, 1992 issue any additional shares of the Corporation's Common Stock ("Additional Common Stock"), for a consideration per share either (I) less than the then current Market Price per share of the Corporation's Common Stock (determined as provided in Section 6(g) hereof), immediately prior to the issuance of such Additional Common Stock (except as provided in Section 6(g) hereof), or (II) without consideration, then (in the case of either clause (I) or (II)), and thereafter successively upon each such issuance, the current conversion price shall forthwith be reduced to a price equal to the price determined by multiplying such current conversion price by a fraction, of which

(1) the numerator shall be (i) the number of shares of the Corporation's Common Stock outstanding immediately prior to such issuance of the Additional Common Stock plus (ii) the number of shares of the Corporation's Common Stock which the aggregate amount of consideration, if any, received by the Corporation upon such issuance of the Additional Common Stock would have purchased at the then current Market Price per share of the Corporation's Common Stock with respect to each issuance, and

(2) the denominator shall be (i) the number of shares of the Corporation's Common Stock outstanding immediately prior to the issuance of the Additional Common Stock plus (ii) the number of shares of such issuance of Additional Common Stock;

provided, however, that such adjustment shall be made only if such adjustment results in a current conversion price less than the current conversion price in effect immediately prior to the issuance of such Additional Common Stock. The

32

Corporation may, but shall not be required to, make any adjustment of the current conversion price if the amount of such adjustment shall be less than one percent (1%) of the current conversion price immediately prior to such adjustment, but any adjustment that would otherwise be required then to be made which is not so made shall be carried forward and shall be made at the time of (and together with) the next subsequent adjustment which, together with any adjustments so carried forward, shall amount to not less than one percent (1%) of the current conversion price immediately prior to such adjustment; provided that to the extent that at the close of business on August 11, 1992, there are any carried forward adjustments under the Existing Series A Preferred Stock which were required to be carried forward by the Corporation pursuant to Section 6(h) of the Existing Series A Certificate, adjustments in the same amount as such carried forward adjustments shall be made to the conversion price hereunder at the time of (and together with) the first adjustment to the conversion price hereunder which, together with such adjustments and any other adjustments to be carried forward hereunder, shall amount to not less than one percent (1%) of the current conversion price immediately prior to such adjustments.

(d) Certain Rules in Applying the Adjustment for Additional Stock Issuances. For purposes of any adjustment as provided in Section 6(c) hereof, the following provisions shall also be applicable:

(1) Cash Consideration. In case of the issuance of Additional Common Stock for cash, the consideration received by the Corporation therefor shall (subject to the last sentence of Section 6(g) hereof) be deemed to be the cash proceeds received by the Corporation for such Additional Common Stock.

(2) Non-Cash Consideration. In case of the issuance of Additional Common Stock for a consideration

other than cash, or a consideration a part of which shall be other than cash, the amount of the consideration other than cash so received or to be received by the Corporation shall be deemed to be the value of such consideration at the time of its receipt by the Corporation as determined in good faith by the Board of Directors (subject to the last sentence of Section 6(a) hereof), except that where the non-cash consideration consists of the cancellation, surrender or exchange of outstanding obligations of the Corporation (or where such obligations are otherwise converted into shares of the Corporation's Common Stock), the value of

33

the non-cash consideration shall be deemed to be the principal amount of the obligations cancelled, surrendered, satisfied, exchanged or converted. If the Corporation receives consideration, part or all of which consists of publicly traded securities (i.e., in lieu of cash), the value of such non-cash consideration shall be the aggregate market value of such securities (based on the latest reported sale price regular way) as of the close of the day immediately preceding the date of their receipt by the Corporation (subject to the last sentence of Section 6(a) hereof).

(3) Options, Warrants, Convertibles, Etc. In case of the issuance, whether by distribution or sale to holders of its Common Stock (other than Distributions on Common Stock) or to others, by the Corporation of (i) any security (other than the shares of New Series A Preferred Stock) that is convertible into Common Stock or (ii) any rights, options or warrants to purchase the Corporation's Common Stock (except as stated in Section 6(e) hereof), if inclusion thereof in calculating adjustments under this Section 6 would result in a current conversion price lower than if excluded, the Corporation shall be deemed to have issued, for the consideration described below, the number of shares of the Corporation's Common Stock into which such convertible security may be converted when first convertible, or the number of shares of the Corporation's Common Stock deliverable upon the exercise of such rights, options or warrants when first exercisable, as the case may be (and such shares shall be deemed to be Additional Common Stock for purposes of Section 6(c) hereof). The consideration deemed to be received by the Corporation at the time of the issuance of such convertible securities or such rights, options or warrants shall be the consideration so received determined as provided in Section 6(d)(1) and (2) hereof plus (x) any consideration or adjustment payment to be received by the Corporation in connection with such conversion or, as applicable, (y) the aggregate price at which shares of the Corporation's Common Stock are to be delivered upon the exercise of such rights, options or warrants when first exercisable (or, if no price is specified and such shares are to be delivered at an option price related to the market value of the subject Common Stock, an aggregate option price bearing the same relation to the market value of the subject Common Stock at the time such rights, options or warrants were granted). If, subsequently, (1) such number of shares into which such convertible security is convertible, or

34

which are deliverable upon the exercise of such rights, options or warrants, is increased or (2) the conversion or exercise price of such convertible security, rights, options or warrants is decreased, then the calculations under the preceding two sentences (and any resulting adjustment to the current conversion price under Section 6(c) hereof) with respect to such convertible security, rights, options or warrants, as the case may be, shall be recalculated as of the time of such issuance but giving effect to such changes (but any such recalculation shall not result in the current conversion price being higher than that which would be calculated without regard to such issuance). On the expiration or termination of such rights, options or warrants, or rights to convert, the conversion price hereunder shall be readjusted (up or down as the case may be) to such current conversion price as would have been obtained had the adjustments made with respect to the issuance of such rights, options, warrants or convertible securities been made upon the basis of the delivery of only the number of shares of the Corporation's Common Stock actually delivered upon the exercise of such rights, options or warrants or upon the conversion of any such

securities and at the actual exercise or conversion prices (but any such recalculation shall not result in the current conversion price being higher than that which would be calculated without regard to such issuance).

(4) Number of Shares Outstanding. The number of shares of the Corporation's Common Stock as at the time outstanding shall exclude all shares of the Corporation's Common Stock then owned or held by or for the account of the Corporation but shall include the aggregate number of shares of the Corporation's Common Stock at the time deliverable in respect of the convertible securities, rights, options and warrants referred to in Section 6(d) (3) and 6(e) hereof; provided, that to the extent that such rights, options, warrants or conversion privileges are not exercised, such shares of the Corporation's Common Stock shall be deemed to be outstanding only until the expiration dates of the rights, warrants, options or conversion privileges or the prior cancellation thereof.

(e) Exclusions from the Adjustment for Additional Stock Issuances. No adjustment of the current conversion price under Section 6(c) hereof shall be made as a result of or in connection with:

35

(1) the issuance of shares of Common Stock upon conversion of the shares of New Series A Preferred Stock or the Convertible Debentures or the Parity Preferred Stock (or the issuance of any shares of New Series A Preferred Stock or any Parity Preferred Stock); or

(2) the issuance of shares of Junior Preferred Stock, Common Stock, cash or other securities pursuant to the Corporation's Shareholder Rights Plans or rights issued thereunder, provided Section 1(c) hereof is complied with;

(3) the issuance of the Corporation's Common Stock (x) to the Corporation's stock purchase plans or other similar compensation or benefit plans, in each case the beneficiaries of which are officers, directors or employees of the Corporation or (y) to officers, directors and employees of the Corporation or its subsidiaries (or the grant to or exercise by any such persons of options, warrants or rights to purchase or acquire Common Stock), all (under the preceding clause (x) or (y)) pursuant to the Corporation's employment agreements, stock option, stock incentive and stock purchase plans approved by the Corporation's Board of Directors; provided, that the aggregate number of shares of Common Stock which have been issued in any fiscal year commencing after January 25, 1992 (or are subject to outstanding warrants, options or other rights which have been issued or granted in any fiscal year commencing after January 25, 1992) at any time (excluding shares, options, warrants or rights referred to in clause (4) below) shall not exceed 3.5% of the number of shares of Common Stock outstanding at the beginning of the fiscal year (commencing after January 25, 1992) in which such shares or options, warrants or rights were granted (the "Allowable Shares"); provided, further, that the number of Allowable Shares during any one fiscal year may be increased by

(i) any unissued shares of Common Stock subject to any cancelled, terminated or forfeited option, warrant or right which was outstanding on April 15, 1992 or any forfeited shares which were outstanding on April 15, 1992,

(ii) any unissued shares of Common Stock subject to any cancelled, terminated or forfeited option, warrant or right granted in any fiscal year commencing after January 25, 1992 or any forfeited shares so

36

granted (without duplication as to any shares of Common Stock referred to in clause (i) above) and

(iii) any Allowable Shares from a preceding fiscal year (but after January 25, 1992) which Allowable Shares were not issued or otherwise subject to issuance pursuant to any options, warrants or rights granted during any fiscal year commencing after January 25,



provided, further, that any shares of Common Stock referred to in clauses (i), (ii) or (iii) above which are thereafter issued or are subject to any options, warrants or rights granted in such fiscal year in excess of the amount of Allowable Shares permitted to be issued and granted in any fiscal year under this Section 6(e)(3) shall not be considered Allowable Shares in any subsequent fiscal year; and provided, further, there shall be an adjustment as provided in Section 6(c) hereof to the extent the Corporation has issued options, warrants or rights to purchase Common Stock or shares of Common Stock to such plans, officers, directors and employees of the Corporation or its subsidiaries in any fiscal year in excess of the Allowable Shares (as may be increased in accordance with this Section 6(e)(3)); and

(4) the issuance of shares of Common Stock upon exercise of options, warrants and rights to purchase or acquire Common Stock which options, warrants and rights are issued and outstanding as of April 15, 1992 and which were issued pursuant to the Corporation's employment agreements, stock option, stock incentive and stock purchase plans approved by the Corporation's Board of Directors.

(f) Accountants' Certification. Whenever the current conversion price is adjusted as provided in this Section 6, the Corporation will promptly obtain a certificate of a firm of independent public accountants of recognized national standing selected by the Board of Directors of the Corporation (who may be the regular auditors of the Corporation) setting forth the current conversion price as so adjusted, the computation of such adjustment and a brief statement of the facts accounting for such adjustment, and will mail to the holders of the shares of New Series A Preferred Stock a copy of such certificate from such firm of independent public accountants.

(g) Determination of Market Price. For the purpose of any computation under this Section 6, the current

"Market Price" per share of the Corporation's Common Stock on any date shall be deemed to be the average of the daily closing prices for the ten (10) consecutive trading dates commencing twelve (12) trading days before such date (subject to the last three sentences of this Section 6(g)). The closing price for each day shall be the last reported sale price regular way or, in case no such sale takes place on such day, the average of the closing bid and asked prices regular way, in either case on the principal national securities exchange on which the Corporation's Common Stock is listed or admitted to trading, or if the Corporation's Common Stock is not listed or admitted to trading on any national securities exchange, the average of the highest reported bid and lowest reported asked prices as furnished by the National Association of Securities Dealers Inc., Automated Quotation System Level I, or comparable system. If the closing price cannot be so determined, then the Market Price shall be determined:

- (x) by the written agreement of the Corporation and the holders of shares of New Series A Preferred Stock representing a majority of the Common Shares then obtainable from the conversion of outstanding shares of New Series A Preferred Stock, or
- (y) in the event that no such agreement is reached within twenty (20) days after the event giving rise to the need to determine the Market Price, by the agreement of two arbitrators, one of whom shall be selected by the Corporation and the other of whom shall be selected by such majority holders or
- (z) if the two arbitrators so selected fail to agree within twenty (20) days, by a third arbitrator selected by the mutual agreement of the other two (with all costs and expenses of any arbitrators to be paid by the Corporation).

The Corporation shall cooperate, and shall provide all necessary information and assistance, to permit any determination under the preceding clauses (x), (y) or (z). If the Corporation conducts an underwritten public offering of the Corporation's Common Stock, and if such public offering raises at least \$5,000,000 of net proceeds to the Corporation and/or selling stockholders thereunder, then for purposes of Section 6(c) hereof the Corporation shall be

deemed to have issued such shares of its Common Stock sold in such underwritten public offering for a consideration per share equal to the then current Market Price per share. If at a time when the current Market Price per share of the

38

Common Stock can be determined pursuant to the first two sentences of this Section 6.4(g), the Corporation issues any of its Common Stock in a private placement without registration under Section 5 of the Securities Act (and such shares of Common Stock are not so registered at any time within six (6) months after the issuance of such Common Stock) at a purchase price per share which yields the Corporation a Net Price equal to or in excess of ninety percent (90%) of the Market Price per share (as would otherwise be determined under the first two sentences of this paragraph (g) on the trading date immediately preceding such issuance (or the date the price for such placement is determined, provided the closing occurs within thirty (30) days after such date), then for purposes of Section 6.4(c) hereof the Corporation shall be deemed to have sold such shares of its Common Stock in such private placement at their Market Price per share; the "Net Price" shall be calculated, on a per share basis, after deducting all brokers', dealers', placement agents' and underwriters' fees and commissions and any other expenses borne by the Corporation or its subsidiaries in connection with such placement which expenses, if such proceeds were raised in a public offering, would be required to be disclosed in Part II of a registration statement under Section 5 of the Securities Act. With respect to issuances of Additional Common Stock in connection with an acquisition of the assets of a business or of capital stock of a business or a merger with a corporation where the Corporation is the surviving entity, the then current Market Price per share of Additional Common Stock issued by the Corporation to make such acquisition or consummate such merger shall be determined as of the earlier of the date when a binding letter of commitment or a binding agreement with respect thereto was executed and delivered by the Corporation, and the assets or capital stock being acquired by the Corporation in exchange for the issuance of such Additional Common Stock shall be deemed to be equal to such then current Market Price; provided that (x) the closing of such transaction occurs no later than three (3) months after such date, and (y) the use of such Common Stock was approved, authorized and/or ratified by the Board of Directors of the Corporation on or before the delivery of the acquisition agreements and the amount of such Additional Common Stock was deemed by the Board to be equal (together with other consideration paid by the Corporation in such transaction) to the fair value of the assets or capital stock being acquired.

(h) Special Adjustments. The current conversion price with respect to a share of New Series A Preferred Stock

39

shall be adjusted downward to a price equal to the greater of the then Market Price per Common Share or \$3.50:

- (x) automatically upon the occurrence of a Control Adjustment Event except with respect to any shares of New Series A Preferred Stock as to which the Corporation shall have previously issued a Call and which shares shall have been redeemed in accordance with such Call; or
- (y) upon the election (made in writing by notice to the Corporation at any time after the date set for redemption in the notice provided under Section 4(d) hereof) of the holder of such share of New Series A Preferred Stock, in lieu of receiving the Mandatory Redemption Price if the Corporation is required to pay the Mandatory Redemption Price to such holder of such share of the New Series A Preferred Stock and does not pay such Mandatory Redemption Price within ten (10) days after the Corporation is to make such payment under Section 4(c) hereof;

provided that, in no event shall the then current conversion price be increased by this Section 6(h).

(i) April 15, 2007 Adjustment. On April 15, 2007, the then current conversion price shall be adjusted downward to a price equal to an amount which is equal to the product of (x) the Market Price times (y) 1.20; provided, that for purposes of this Section 6(i), "Market Price" shall be

determined under Section 6(g) hereof but in applying Section 6(g) to this Section 6(i) the daily closing prices shall be averaged for the thirty (30) trading days preceding April 15, 2007 in applying the first sentence of Section 6(g); provided, further, that in no event shall the current conversion price be increased by this Section 6(i) and in no event shall the current conversion price be reduced to an amount less than \$7.00; provided, further, that any other adjustments under this Section 6 occurring on such day shall be made assuming the current conversion price at the start of business on such day had been reduced pursuant to this Section 6(i).

(j) Antidilution Adjustments under other Securities. Without limiting any other rights available hereunder to the holders of shares of New Series A Preferred Stock, if there is an antidilution adjustment

40

- (x) under any security which is convertible into Common Stock of the Corporation whether issued prior to or after the date hereof (except for the shares of New Series A Preferred Stock or the Convertible Debentures) or
- (y) under any right, option or warrant to purchase Common Stock of the Corporation whether issued prior to or after the date hereof (other than securities the issuance of which was excluded from adjustment under Section 6(e)(2) or (3) hereof, if any),

which (in the case of clause (x) or (y)) results in a reduction in the exercise, conversion or purchase price with respect to such security, right, option or warrant to an amount less than the then current conversion price or results in an increase in the number of shares obtainable under such security, right, option or warrant which has an effect equivalent to lowering a conversion or exercise price to an amount less than the then current conversion price, then an adjustment shall be made under this Section 6(j) to the then current conversion price hereunder. Any such adjustment under this Section 6(j) shall be whichever of the following results in a lower current conversion price:

(A) a reduction in the current conversion price equal to the percentage reduction in such exercise or purchase price with respect to such security, right, option or warrant, or

(B) a reduction in the current conversion price which will result in the same percentage increase in the number of Common Shares available under this Section 6 as the percentage increase in the number of shares available under such security, right, option or warrant.

Any such adjustment under this Section 6(j) shall only be made if it would result in a lower current conversion price than that which would be determined pursuant to any other antidilution adjustment otherwise required under this Section 6 as a result of the event or circumstance which triggered the adjustment to the security, right, option or warrant described in clause (x) or (y) above (and if any such adjustment is so made under this Section 6(j), then such other antidilution adjustment otherwise required under this Section 6 shall not be made as a result of such event or circumstance).

41

(k) Other Adjustments. In case any event shall occur as to which any of the provisions of this Section 6 are not strictly applicable but the failure to make any adjustment would not fairly protect the conversion rights represented by the shares of New Series A Preferred Stock in accordance with the essential intent and principles of Sections 5 and 6 hereof, then, in each such case, the Corporation shall appoint a firm of independent public accountants of recognized national standing selected by the Board of Directors of the Corporation (who may be the regular auditors of the Corporation), which shall give their opinion upon the adjustment, if any, on a basis consistent with the provisions of Sections 5 and 6 hereof, necessary to preserve, without dilution, the conversion rights represented by the shares of New Series A Preferred Stock. Upon receipt of such opinion, the Corporation will promptly mail copies thereof to

the holders of the shares of New Series A Preferred Stock and shall make the adjustments described therein.

(l) Meaning of "Issuance". References in this Agreement to "issuances" of stock by the Corporation include issuances by the Corporation of previously unissued shares and issuances or other transfers by the Corporation of treasury stock.

(m) Consolidation or Merger. If the Corporation shall at any time consolidate with or merge into another corporation (where the Corporation is not the continuing corporation after such merger or consolidation), or the Corporation shall sell, transfer or lease all or substantially all of its assets, or the Corporation shall change its Common Shares into property other than capital stock, then, in any such case, the holder of a share of New Series A Preferred Stock shall thereupon (and thereafter) be entitled to receive, upon the conversion of such share of New Series A Preferred Stock in whole or in part, the securities or other property to which (and upon the same terms and with the same rights as) a holder of the number of Common Shares deliverable upon conversion of such share of New Series A Preferred Stock would have been entitled if such conversion had occurred immediately prior to such consolidation or merger, such sale of assets or such change (with any record date requirement being deemed to have been satisfied), and such conversion rights shall thereafter continue to be subject to further adjustments under this Section 6, without limiting any other rights of holders of shares of New Series A Preferred Stock. The Corporation shall take such steps in connection with such consolidation or merger, such sale of assets or such change as may be necessary to assure such holder that the provisions of the shares of New Series A

42

Preferred Stock shall thereafter continue to be applicable in relation to any securities or property thereafter deliverable upon the conversion of the shares of New Series A Preferred Stock, including, but not limited to, obtaining a written obligation to supply such securities or property upon such conversion and to be so bound by the shares of New Series A Preferred Stock.

(n) Notices. In case at any time

(i) the Corporation shall take any action which would require an adjustment in the current conversion price pursuant to Section 6(a), (c) or (j); or

(ii) the Corporation shall authorize the granting to the holders of its Common Stock of any Distributions on Common Stock as set forth in Section 6(b); or

(iii) there shall be any reorganization, reclassification or change of the Corporation's Common Stock (other than a change in par value or from par value to no par value or from no par value to par value), or any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation is required, or any sale, transfer or lease of all or substantially all of the assets of the Corporation; or

(iv) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

then, in any one or more of such cases, the Corporation shall give written notice to the holders of the shares of New Series A Preferred Stock, not less than ten (10) days before any record date or other date set for definitive action, of the date on which such action, distribution, reorganization, reclassification, change, sale, transfer, lease, consolidation, merger, dissolution, liquidation or winding-up shall take place, as the case may be. Such notice shall also set forth such facts as shall indicate the effect of any such action (to the extent such effect may be known at the date of such notice) on the current conversion price and the kind and amount of the shares and other securities and property deliverable upon conversion of the shares of New Series A Preferred Stock. Such notice shall also specify any date as of which the holders of the Common Stock of record shall be entitled to exchange their Common Stock for securities or other property deliverable upon any such reorganization, reclassification, change, sale, transfer, lease,

43

consolidation, merger, dissolution, liquidation or winding-

up, as the case may be. Failure to deliver the notice required hereunder by the Corporation will not invalidate any such transaction.

#### 7. Voting Rights.

Other than as required by applicable law, the New Series A Preferred Stock shall not have any voting powers either general or special, except that (in addition to voting rights provided by applicable law):

(a) Consent Required. So long as any shares of the New Series A Preferred Stock remain outstanding, unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least two-third (2/3) of all of the shares of New Series A Preferred Stock at the time outstanding, voting separately as a class, given in person or by proxy either in writing (as may be permitted by law and the Certificate of Incorporation and By-laws of the Corporation) or at any special or annual meeting, shall be necessary to permit, effect or validate the taking of any Restricted Actions by the Corporation; except that if any shares of New Series A Preferred Stock have been called for redemption pursuant to Section 4(a) hereof, the Corporation may not amend this Certificate of Designations, until such time as all amounts payable under Section 4 hereof with respect to such shares called for redemption have been paid in full in cash (or such amounts payable have been set aside for payment in cash pursuant to Section 4(e) hereof).

#### (b) Additional Voting Rights.

(i) Whenever, at any time or times, full cumulative dividends on any share of New Series A Preferred Stock shall equal \$8.00 or more (the occurrence of which is hereinafter referred to as a "Dividend Default"), the holders of New Series A Preferred Stock shall have the exclusive collective right, voting separately as a class, to elect two (2) directors of the Corporation.

(ii) At elections for such directors, each holder of New Series A Preferred Stock shall be entitled to one vote for each share held. Upon the vesting of the right of the holders of New Series A Preferred Stock to elect directors pursuant to clause (i) above, the maximum authorized number of members of the Board of Directors of the Corporation shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of outstanding

44

New Series A Preferred Stock as hereinafter set forth. The right of holders of New Series A Preferred Stock, voting separately as a class, to elect members of the Board of Directors of the Corporation as a result of Section 7(b)(i) above shall continue until such time as full cumulative dividends on all shares of New Series A Preferred Stock shall have been paid in full, at which time such right shall terminate, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent Dividend Default.

(iii) Whenever such voting right under this Section 7(b) shall have vested and for so long as a Dividend Default shall have occurred and be continuing, such right may be exercised at a special meeting of the holders of shares of New Series A Preferred Stock called as hereinafter provided, or at any annual meeting of stockholders held for the purpose of electing directors, or if permitted under the terms of the Certificate of Incorporation by the written consent of such holders pursuant to Section 228 of the General Corporation Law of the State of Delaware.

(iv) At any time when such voting right under this Section 7(b) shall have vested in the holders of shares of New Series A Preferred Stock entitled to vote thereon, and if such right shall not already have been initially exercised, an officer of the Corporation shall, upon the written request of at least 25% of the holders of record of shares of the New Series A Preferred Stock then outstanding, addressed to the Treasurer of the Corporation, call a special meeting of holders of shares of the New Series A Preferred Stock. Such meeting shall be held at the earliest practicable date upon the notice required for annual meetings of stockholders at the place for holding annual meetings of stockholders of the Corporation or, if none, at a place designated by the Treasurer of the Corporation. If such meeting shall not be called by the proper officers of the Corporation within 30 days after the personal service of such written request upon the Treasurer of the Corporation, or within 30 days after

mailing the same within the United States, by registered mail, addressed to the Treasurer of the Corporation at its principal office (such mailing to be evidenced by the registry receipt issued by the postal authorities), then the holders of record of at least 25% of the shares of New Series A Preferred Stock then outstanding may designate in writing any person to call such meeting at the expense of the Corporation, and such meeting may be called by such person so designated upon the notice required for annual meetings of stockholders and shall be held at the same place as is elsewhere provided in this paragraph. Any holder of shares

45

of New Series A Preferred Stock then outstanding that would be entitled to vote at such meeting shall have access to the stock books of the Corporation for the purpose of causing a meeting of stockholders to be called pursuant to the provisions of this paragraph.

(v) The directors elected pursuant to this Section 7(b) shall serve until such time as the full cumulative dividends with respect to each share of New Series A Preferred through the then most recent Dividend Payment Date have been paid in full or until their respective successors shall be elected and shall qualify. Any director elected by the holders of New Series A Preferred Stock may be removed by, and shall not be removed otherwise than by, the vote of the holders of a majority of the outstanding shares of the New Series A Preferred Stock who were entitled to participate in such election of directors, voting as a separate class, at a meeting called for such purpose (or by written consent if permitted under the terms of the Certificate of Incorporation as permitted by law and the Certificate of Incorporation and By-laws of the Corporation. If the office of any director elected by the holders of New Series A Preferred Stock, voting as a class, becomes vacant by reason of death, resignation, retirement, disqualification or removal from office or otherwise, the remaining director elected by the holders of New Series A Preferred Stock, voting as a class, may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred. Whenever the terms of office of the directors elected by the holders of New Series A Preferred Stock, voting as a class, shall so terminate and the special voting powers vested in the holders of New Series A Preferred Stock shall have expired, the number of directors shall be automatically decreased by two irrespective of any increase made pursuant to the provisions of this Section 7(b).

8. Rights Plans. The Corporation shall not adopt or maintain any shareholder rights plan which discriminates in any way (other than the notice to be provided to holders of New Series A Preferred Stock as described below) against any holder of New Series A Preferred Stock as such (whether by language or operation), including, without limitation, restricting (i) the ability to convert into Common Stock under the terms hereof and (ii) the ability to receive rights under such plan with respect to Common Stock acquired by conversion hereunder which rights are generally available to holders of Common Stock. The Corporation shall notify the holders of the New Series A Preferred Stock at least five (5) Business Days prior to (I) the date which under the terms of any shareholder rights plan causes or triggers the rights

46

issued thereunder to be exercisable by any person and (II) the date on which such rights (or the right to receive such rights) terminate or expire, such notice in the case of clause (I) to describe in reasonable detail the terms of such rights and the manner of operation of the plan upon the occurrence of such triggering event.

9. Notices. Unless otherwise expressly specified or permitted by the terms hereof, all notices, requests, demands, consents and other communications hereunder shall be in writing and shall be delivered by hand or by overnight delivery service or shall be sent by telex or telecopy (confirmed by registered, certified or overnight mail or courier, postage and delivery charges prepaid), to the following addresses:

(a) if to the holder of a share of New Series A Preferred Stock, at the holder's address as set forth in the stock register of the Corporation, or at such other address as may have been furnished to the Corporation by the holder in writing; or

(b) if to the Corporation, at 770 Cochituate Road, Framingham, Massachusetts 01701, attention: General Counsel,

or at such other address as may have been furnished in writing by the Corporation to the holders of the shares of New Series A Preferred Stock;

(c) if to the Transfer Agent or the transfer office of the Corporation, at the office of the Corporation listed in clause (b) above unless and until the Corporation appoints a Transfer Agent for the New Series A Preferred Stock and notifies the holders of the New Series A Preferred Stock of the Transfer Agent's address for all communications to the Transfer Agent or to the transfer office hereunder.

Whenever any notice is required to be given hereunder, such notice shall be deemed given and such requirement satisfied only when such notice is delivered or if sent by telex or telecopier, when received, unless otherwise expressly specified or permitted by the terms hereof, except that at such time as any of the shares of the New Series A Preferred Stock have been registered under the Securities Act of 1933, as amended, then notice will also be deemed to have been given upon the day which is two (2) days after the mailing by first class mail of the notice when such notice has been deposited for mailing with the United States Postal Service (or its successor).

47

IN WITNESS WHEREOF, The TJX Companies, Inc., has caused this Certificate of Designations to be signed by its Vice President - Finance and its Secretary this 12th day of August, 1992.

THE TJX COMPANIES, INC.

By /s/ Steven R. Wishner  
Steven R. Wishner,  
Vice President -  
Finance

Attest: /s/ Jay H. Meltzer  
Jay H. Meltzer,  
Secretary

48

CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS  
OF \$3.125 SERIES C CUMULATIVE CONVERTIBLE PREFERRED STOCK

\$1.00 PAR VALUE PER SHARE

of

THE TJX COMPANIES, INC.

Pursuant to Section 151(g) of the  
General Corporation Law  
of the State of Delaware

We, Steven R. Wishner, Vice President - Finance, and Jay H. Meltzer, Secretary, of The TJX Companies, Inc. (hereinafter called the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware,

DO HEREBY CERTIFY:

FIRST: The restated certificate of incorporation, as amended (the "Certificate of Incorporation"), of the corporation authorizes the issuance of 5,000,000 shares of Preferred Stock, \$1.00 par value per share ("Preferred Stock"), in one or more series, and further authorizes the Board of Directors from time to time to provide by resolution for the issuance of shares of Preferred Stock in one or more series not exceeding the aggregate number of shares of Preferred Stock authorized by the Certificate of Incorporation and to determine with respect to each such series, the voting powers, if any (which voting powers if granted may be full or limited), designations, preferences, the relative, participating, optional or other rights, and the qualifications, limitations and restrictions appertaining thereto.

SECOND: The Finance Committee of the Board of Directors of the Corporation, pursuant to authority conferred on the Finance Committee by the Board of Directors (which fixed the voting rights with respect to the shares designated herein), at a meeting duly called and held on August 19, 1992 did duly adopt the following resolution authorizing the creation and issuance of a series of said Preferred Stock to be known as "\$3.125 Series C Cumulative Convertible Preferred Stock," said Series C Cumulative Convertible Preferred Stock to be convertible into the common stock, \$1.00 par value per share (the "Common Stock"), of the Corporation:

RESOLVED: that the Finance Committee of the Board of Directors, pursuant to authority conferred on such Finance Committee by the Board of Directors (which fixed the voting rights with respect to the shares designated herein) by the provisions of the Second Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), of the Corporation, hereby authorizes the issuance of a series of cumulative convertible Preferred Stock of the Corporation and hereby fixes the voting powers, designations, preferences, the relative, participating, optional and other rights, and the qualifications, limitations and restrictions appertaining thereto in addition to those set forth in said Certificate of Incorporation, as follows:

1. Designation and Number. The designation of Convertible Preferred Stock created by this resolution shall be \$3.125 Series C Cumulative Convertible Preferred Stock, \$1.00 par value per share, of The TJX Companies, Inc. (the "Corporation") (hereinafter referred to as the "Series C Preferred Stock"), and the number of shares constituting such series shall be 1,650,000, which number may be increased or decreased (but not below the number of shares of Series C Preferred Stock then outstanding) from time to time by the Board of Directors. The Series C Preferred Stock shall rank prior to the Common Stock, prior to the Corporation's Series B Junior Participating Preferred Stock (the "Junior Preferred Stock"), and on a parity with the Corporation's New Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock"), as to dividends and upon liquidation, dissolution and winding up as provided in this Certificate of Designations.

All shares of Series C Preferred Stock which shall have been issued and reacquired in any manner by the Corporation (excluding, until the Corporation elects to retire them, shares which are held as treasury shares but including shares redeemed, shares purchased



and retired, shares converted pursuant to Section 5 hereof and shares exchanged for any other security of the Corporation) shall not be reissued and shall, upon the making of any necessary filing with the Secretary of State of Delaware have the status of authorized but unissued shares of the Corporation's Preferred Stock, without designation as to series, and thereafter may be issued, but not as shares of Series C Preferred Stock.

## 2. Dividend Rights.

(a) General. The holders of shares of Series C Preferred Stock shall be entitled to receive, in preference to the holders of shares of Common Stock, Junior Preferred Stock and any other stock ranking as to dividends junior to the Series C Preferred Stock, when and as declared by the Board of Directors, out of funds legally available therefor, cumulative cash dividends, accruing from and after the date of original issuance of the Series C Preferred Stock at an annual rate of \$3.125 per share, and no more, as long as shares of Series C Preferred Stock remain outstanding. Dividends shall accrue and be payable quarterly in arrears, on January 1, April 1, July 1 and October 1 in each year commencing October 1, 1992 (each, a "Dividend Payment Date"). Each dividend will be payable to holders of record as they appear on the stock books of the Corporation on the record date therefor, not exceeding 60 days nor less than 10 days preceding the payment date thereof, as shall be fixed by the Board of Directors.

2

Dividends in arrears may be declared and paid at any time, without reference to any Dividend Payment Date, to holders of record on such date, not exceeding 60 days preceding the payment date thereof, as may be fixed by the Board of Directors of the Corporation. Dividends payable on the Series C Preferred Stock (i) for any period less than a full dividend period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months and (ii) for each full dividend period, shall be computed by dividing the annual dividend rate by four. Dividends on shares of Series C Preferred Stock shall be cumulative from the date of original issuance thereof whether or not there shall be funds legally available for the payment thereof. Holders of shares of the Series C Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends (as defined in Section 8) on such shares. No interest or sum of money in lieu of interest shall be payable in respect of any dividend payment or payments which may be in arrears.

(b) Requirements for Dividends on Parity Preferred Stock. Subject to Section 6(b) of the Certificate of Designations, Preferences and Rights of the Series A Preferred Stock (the "Series A Certificate") in effect as of August 13, 1992, if there shall be outstanding shares of any other series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends, no dividends, except as described in the next sentence, shall be declared or paid or set apart for payment on any such other series for any period unless full cumulative dividends on the Series C Preferred Stock through the most recent Dividend Payment Date have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment. Subject to Section 6(b) of the Series A Certificate in effect as of August 13, 1992, if dividends on the Series C Preferred Stock and on any other series of Preferred Stock ranking on a parity as to dividends with the Series C Preferred Stock are in arrears, all dividends declared upon shares of the Series C Preferred Stock and all dividends declared upon such other series shall be declared pro rata so that the amounts of dividends per share declared on the Series C Preferred Stock and such other series shall in all cases bear to each other the same ratio that full cumulative dividends per share at the time on the shares of Series C Preferred Stock and on such other series bear to each other.

(c) Requirements for Dividends on Junior Stock. The Corporation shall not (i) declare or pay or set apart for payment any dividends or distributions on any stock ranking as to dividends junior to the Series C Preferred Stock (other than dividends paid in shares of stock ranking junior to the Series C Preferred Stock as to dividends) or (ii) make any purchase or redemption of, or any sinking fund payment for the purchase or redemption of, any stock ranking as to dividends or upon liquidation, dissolution or winding up junior to the Series C Preferred Stock (other than a purchase or redemption made by issue or delivery of any stock ranking junior to the Series C Preferred

3

Stock as to dividends or upon liquidation, dissolution or winding up) unless full cumulative dividends on all outstanding shares of Series C Preferred Stock through the most recent Dividend Payment Date prior to the date of payment of such dividend or distribution, or effective date of such purchase, redemption or sinking fund payment, shall have been paid in full or declared and a sufficient sum set apart for payment thereof; provided, however, that unless prohibited by the terms of any other outstanding series of Preferred Stock, any moneys theretofore deposited in any sinking fund with respect to any Preferred Stock of the Corporation in compliance this Section 2(c) and the provisions of such sinking fund may thereafter be applied to the purchase or redemption of such Preferred Stock in accordance with the terms of such sinking fund regardless of whether at the time of such application full cumulative dividends on all outstanding shares of Series C Preferred Stock through the most recent Dividend Payment Date shall have been paid in full or declared and a sufficient sum set apart for payment thereof.

### 3. Liquidation Preferences.

(a) Priority. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether from capital or surplus) shall be made to or set apart for the holders of any class or series of stock of the Corporation ranking junior to the Series C Preferred Stock upon liquidation, dissolution or winding up, the holders of the shares of Series C Preferred Stock and the holders of each other class or series of Preferred Stock ranking on a parity with Series C Preferred Stock upon liquidation, dissolution or winding up shall be entitled to receive liquidation payments according to the following priorities:

First,

The holders of the shares of Series C Preferred Stock shall receive \$50 per share and the holders of shares of each such other class or series of Preferred Stock shall receive the full respective liquidation preferences (including any premiums) to which they are entitled; and

Second,

The holders of shares of Series C Preferred Stock and the holders of shares of each such other class or series of Preferred Stock shall each receive an amount equal to full cumulative dividends with respect to their respective shares through and including the date of final distribution to such holders, but such holders shall not be entitled to any further payment.

No payment (in either of the First step or Second step provided above) on account of any liquidation, dissolution or winding up of the Corporation shall be made to holders of any such

4

other class or series of Preferred Stock or to the holders of Series C Preferred Stock unless there shall likewise be paid at the same time to the holders of the Series C Preferred Stock and the holders of each such other class or series of Preferred Stock like proportionate amounts of the same payments (as to each of the First step or the Second step above), such proportionate amounts to be determined ratably in proportion to the full amounts to which the holders of all outstanding shares of Series C Preferred Stock and the holders of all outstanding shares of each such other class or series of Preferred Stock are respectively entitled (in either the First step or the Second step, as the case may be) with respect to such distribution.

For purposes of this Section 3, neither a consolidation or merger of the Corporation with or into another corporation nor a merger of any other corporation with or into the Corporation or a sale or transfer of all or any part of the Corporation's assets for cash, securities or other property will be deemed a liquidation, dissolution or winding up of the Corporation.

(b) Junior Stock. After payment shall have been made in full to the holders of Series C Preferred Stock and to the holders of each such other class or series of Preferred Stock as provided in this Section 3 upon liquidation, dissolution or winding up of the Corporation, any other series or class or classes of stock ranking junior to the Series C Preferred Stock upon liquidation, dissolution or winding up shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed upon such liquidation, dissolution or winding up, and the holders of Series C Preferred Stock shall not be entitled to share therein.

4. Redemption.

(a) General. The Series C Preferred Stock may not be redeemed by the Corporation prior to September 1, 1995. Thereafter, the Corporation, at its option, in accordance with the terms and provisions of this Section 4, may redeem any or all shares of Series C Preferred Stock at the applicable redemption price per share, expressed as a percentage of the \$50 liquidation preference thereof, set forth below (each such redemption price resulting from the application of such percentages to such liquidation preference, a "Redemption Price"), plus an amount equal to full cumulative dividends thereon through and including the date of redemption:

Twelve-month period beginning	Percentage
September 1, 1995	104.375
September 1, 1996	103.750
September 1, 1997	103.125
September 1, 1998	102.500
September 1, 1999	101.875
September 1, 2000	101.250
September 1, 2001	100.625

5

September 1, 2002 and thereafter 100.000%  
If less than all the outstanding shares of Series C Preferred Stock are to be redeemed, the shares to be redeemed shall be selected pro rata as nearly as practicable or by lot, or by such other method as the Board of Directors may determine to be fair and appropriate.

(b) Notice of Redemption. The Corporation will provide notice of any redemption of shares of Series C Preferred Stock to holders of record of the Series C Preferred Stock to be redeemed not less than 30 nor more than 60 days prior to the date fixed for such redemption. Such notice shall be provided by first-class mail postage prepaid, to each holder of record of the Series C Preferred Stock to be redeemed, at such holder's address as it appears on the stock register of the Corporation. Each such mailed notice shall state, as appropriate, the following:

(i) the redemption date;

(ii) the number of shares of Series C Preferred Stock to be redeemed and, if less than all the shares held by any holder are to be redeemed, the number of such shares to be redeemed from such holder;

(iii) the Redemption Price;

(iv) the place or places where certificates for such shares are to be surrendered for redemption;

(v) the amount of full cumulative dividends per share of Series C Preferred Stock to be redeemed through and including such redemption date, and that dividends on shares of Series C Preferred Stock to be redeemed will cease to accrue on such redemption date unless the Corporation shall default in payment of the Redemption Price plus such full cumulative dividends thereon;

(vi) the name and location of any bank or trust company with which the Corporation will deposit redemption funds pursuant to Section 4(d) below;

(vii) the then effective Conversion Price (as determined under Section 5); and

(viii) that the right of holders to convert shares of Series C Preferred Stock to be redeemed will terminate at the close of business on the business day (as defined in Section 8) next preceding the date fixed for redemption (unless the Corporation shall default in the payment of the Redemption Price and such full cumulative dividends thereon).

(c) Mechanics of Redemption. Upon surrender in accordance with the aforesaid notice of the certificate for any shares so redeemed (duly endorsed or accompanied by appropriate instruments of transfer), the holders of record of such shares shall be

6

entitled to receive, out of funds legally available therefor, the Redemption Price plus full cumulative dividends thereon through and including such redemption date, without interest. In case

fewer than all the shares represented by any such certificate are redeemed, a new certificate representing the unredeemed shares shall be issued without cost to the holder thereof.

(d) Redemption Funds. On or prior to the date of any redemption being made pursuant to this Section 4, the Corporation shall deposit for the benefit of the holders of shares of Series C Preferred Stock to be redeemed the funds necessary for such redemption with a bank or trust company in the City of New York or in the City of Boston, in either case having a capital and surplus of at least \$100,000,000, with instructions to such bank or trust company to pay the full redemption amounts as provided herein to the holders of shares of Series C Preferred Stock upon surrender of certificates for such shares; provided, however, that the making of such deposit shall not release the Corporation from any of its obligations hereunder. Any moneys so deposited by the Corporation and unclaimed at the end of one year from the date designated for such redemption shall revert to the general funds of the Corporation and, upon demand, such bank or trust company shall pay over to the Corporation such unclaimed amounts and thereupon such bank or trust company shall be relieved of all responsibility in respect thereof and any holder of shares of Series C Preferred Stock so redeemed shall look only to the Corporation for the payment of the full redemption amounts as provided herein. Notwithstanding the foregoing, to the extent that the Corporation is required under the abandoned property laws of any jurisdiction to escheat any such redemption amounts, the Corporation shall be absolved of any further obligation or liability to the full extent provided by any such laws. In the event that moneys are deposited pursuant to this Section 4(d) in respect of shares of Series C Preferred Stock that are converted in accordance with the provisions of Section 5, such moneys shall, upon such conversion, revert to the general funds of the Corporation and, upon demand, such bank or trust company shall pay over to the Corporation such moneys. Any interest accrued on funds deposited pursuant to this Section 4(d) shall be paid from time to time to the Corporation for its own account.

(e) Rights After Redemption. Notice of redemption having been given as aforesaid, upon the deposit pursuant to Section 4(d) of the full redemption amounts as provided herein in respect of all shares of Series C Preferred Stock then to be redeemed, notwithstanding that any certificates for such shares shall not have been surrendered in accordance with Section 4(c), from and after the date of redemption designated in the notice of redemption (i) the shares represented thereby shall no longer be deemed outstanding, (ii) the rights to receive dividends thereon shall cease to accrue, and (iii) all rights of the holders of such shares of Series C Preferred Stock shall cease and terminate, excepting only the right to receive the full redemption amounts as provided herein without interest. If the funds deposited are not sufficient for redemption of the shares of the Series C Preferred

7

Stock that were to be redeemed, then the certificates evidencing such shares shall be deemed not to be surrendered, such shares shall remain outstanding and the right of holders of shares of Series C Preferred Stock shall continue to be only those of a holder of shares of the Series C Preferred Stock.

(f) Restrictions on Redemption and Purchase. Any provision of this Section 4 to the contrary notwithstanding, in the event that any quarterly dividend payable on the Series C Preferred Stock shall be in arrears and until all such dividends in arrears shall have been paid or declared and set apart for payment, (i) the Corporation shall not redeem any shares of Series C Preferred Stock unless all outstanding shares of Series C Preferred Stock are simultaneously redeemed and (ii) shall not purchase or otherwise acquire any shares of Series C Preferred Stock except in accordance with a purchase or exchange offer made by the Corporation on the same terms to all holders of record of Series C Preferred Stock.

## 5. Conversion.

(a) General. The holders of shares of Series C Preferred Stock shall have the right, at each holder's option, at any time, in whole or in part, to convert all or a portion of such holder's shares into a number of fully paid and nonassessable whole shares of the Corporation's Common Stock as is equal to the aggregate liquidation preference of the shares of Series C Preferred Stock surrendered for conversion divided by a conversion price per share of Common Stock of \$25.9375 (as adjusted from time to time, the "Conversion Price"). The Conversion Price shall be subject to adjustment from time to time as hereinafter provided.

No payment or adjustment shall be made on account of any accrued and unpaid dividends on shares of Series C Preferred Stock

surrendered for conversion prior to the close of business on the record date for the determination of stockholders entitled to such dividends.

Holders of shares of Series C Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the conversion of such shares following such dividend record date and prior to such Dividend Payment Date. However, shares of Series C Preferred Stock surrendered for conversion during the period between the close of business on any dividend record date and the opening of business on the corresponding Dividend Payment Date (except shares converted after the issuance of a notice of redemption with respect to a redemption date during such period) must be accompanied by payment to the Corporation of an amount equal to the dividend payable on such shares on such Dividend Payment Date. A holder of shares of Series C Preferred Stock on a dividend record date who (or whose transferee) tenders any such shares for conversion into shares of Common Stock on the corresponding Dividend Payment Date will receive the dividend payable by the

8

Corporation on such shares of Series C Preferred Stock on such Dividend Payment Date, and the converting holder need not include payment of the amount of such dividend upon surrender of shares of Series C Preferred Stock for conversion. Except as provided in this paragraph (a), the Corporation will make no payment or allowance for unpaid dividends, whether or not in arrears, on converted shares or for dividends on the shares of Common Stock issued upon such conversion.

If any shares of Series C Preferred Stock shall be called for redemption, the right to convert the shares designated for redemption shall terminate at the close of business on the business day next preceding the date fixed for redemption unless the Corporation defaults in the payment of the Redemption Price plus all accrued and unpaid dividends. In the event of default in the payment of the Redemption Price, plus all accrued but unpaid dividends, the right to convert the shares designated for redemption shall terminate at the close of business on the business day next preceding the date that such default is cured.

The shares of Common Stock issuable upon conversion of the shares of Series C Preferred Stock, when the same shall be issued in accordance with the terms hereof, are hereby declared to be and shall be fully paid and nonassessable shares of Common Stock in the hands of the holders thereof.

(b) Mechanics of Conversion. Conversion of the Series C Preferred Stock may be effected by the surrender to the Transfer Agent (as defined in Section 8), together with any payment to the Corporation required by Section 5(a), of the certificate or certificates for such Series C Preferred Stock to be converted accompanied by a written notice stating that such holder elects to convert all or a specified whole number of such shares in accordance with the provisions hereof and specifying the name or names in which such holder wishes the certificate or certificates for shares of Common Stock be issued. If more than one stock certificate for Series C Preferred Stock shall be surrendered for conversion at one time by the same holder, the number of full shares of Common Stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares represented by all the certificates so surrendered. In case such notice shall specify a name or names other than that of such holder, such notice shall be accompanied by payment of all transfer taxes payable upon the issuance of shares of Common Stock in such name or names. Other than such taxes, the Corporation will pay any and all issue and other taxes (other than taxes based on income) that may be payable in respect of any issue or delivery of shares of Common Stock on conversion of Series C Preferred Stock. As promptly as practicable, and in any event within five business days after the surrender of such certificate or certificates and the receipt of such notice relating thereto and, if applicable, payment of all transfer taxes required to be paid by the holder hereunder (or the demonstration to the satisfaction of the Corporation that any such taxes have been paid) and any payment to the Corporation required by Section 5(a), the

9

Corporation shall deliver or cause to be delivered (i) certificates representing the number of validly issued, fully paid and nonassessable full shares of Common Stock to which the holder of shares of Series C Preferred Stock being converted shall be entitled, (ii) any cash owing in lieu of a fractional share of

Common Stock, determined in accordance with Section 5(d) below, and (iii) if less than the full number of shares of Series C Preferred Stock evidenced by the surrendered certificate or certificates is being converted, a new certificate or certificates, of like tenor, for the number of shares evidenced by such surrendered certificate or certificates less the number of shares being converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the shares of Series C Preferred Stock to be converted and the making of any payments required therewith. Upon such conversion, except as provided in Section 5(a), the rights of the holder thereof as to the shares being converted shall cease except for the right to receive shares of Common Stock (or such other consideration as provided herein) in accordance herewith, and the person entitled to receive the shares of Common Stock shall be treated for all purposes as having become the record holder of such shares of Common Stock at such time. The Corporation shall not be required to convert, and no surrender of shares of Series C Preferred Stock shall be effective for that purpose, while the transfer books of the Corporation for the Common Stock are closed for any purposes (but not for any period in excess of 15 days), but the surrender of shares of Series C Preferred Stock for conversion during any period while such books are so closed shall become effective for conversion immediately upon the reopening of such books, as if the conversion had been made on the date such shares of Series C Preferred Stock were surrendered, and at the Conversion Price in effect at the date of such surrender.

(c) Adjustment to Conversion Price. The Conversion Price shall be adjusted from time to time as follows:

(i) In case the Corporation shall hereafter pay a dividend or make a distribution to all holders of the outstanding Common Stock in shares of Common Stock, the Conversion Price in effect at the opening of business on the date following the Record Date (as defined in Section 8) for such dividend or other distribution shall be reduced by multiplying such Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on such Record Date and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the day following such Record Date. The Corporation will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Corporation.

10

(ii) In case the Corporation shall hereafter issue rights or warrants to all holders of its outstanding shares of Common Stock entitling them (for a period expiring within 45 days after the Record Date fixed for distribution of such rights or warrants) to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as defined in Section 8) on such Record Date, the Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect at the close of business on such Record Date by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on such Record Date plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Current Market Price, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the total number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall become effective immediately after the opening of business on the day following the Record Date for distribution of such rights or warrants. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect had the adjustments made in respect of the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered.

(iii) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Price in effect at the opening of business on the day following the Record Date for such subdivision shall be proportionately reduced, and conversely, in case outstanding shares of Common Stock shall be combined into a smaller number of shares of Common Stock, the

Conversion Price in effect at the opening of business on the day following the Record Date for such combination shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the applicable Record Date.

(iv) Subject to the last sentence of this Section 5(c)(iv), in case the Corporation shall, by dividend or otherwise, distribute to all holders of its Common Stock shares of any class of capital stock (other than a dividend or distribution to which Section 5(c)(i) applies) or evidences of its indebtedness or assets (including securities, but excluding any dividend or distribution to which Section 5(c)(ii) applies, and excluding any dividend or distribution (x) in connection with the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary or (y) paid exclusively in cash) (any of the foregoing being hereinafter in this Section

11

5(c)(iv) called the "Securities"), then, in each such case, unless the Corporation elects to reserve such Securities for distribution to the holders of the Series C Preferred Stock upon the conversion thereof so that any such holder converting such shares will receive upon such conversion, in addition to the shares of the Common Stock to which such holder is entitled, the amount and kind of such Securities which such holder would have received if such holder had, immediately prior to the Record Date for the distribution of the Securities, converted such shares of Series C Preferred Stock into Common Stock, the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect at the close of business on the Record Date for such distribution by a fraction of which the numerator shall be the Current Market Price of the Common Stock on such Record Date less the fair market value (as defined in Section 8, as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors), on such Record Date, of the portion of the Securities so distributed applicable to one share of Common Stock and the denominator shall be such Current Market Price per share of the Common Stock, such reduction to become effective immediately prior to the opening of business on the day following the Record Date; provided, however, that in the event the then fair market value (as so determined) of the portion of the Securities so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price of the Common Stock on such Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of shares of Series C Preferred Stock shall have the right to receive upon conversion thereof the amount and kind of Securities such holder would have received had he converted such shares on such Record Date. If the Board of Directors determines the fair market value of any distribution for purposes of this Section 5(c)(iv) by reference to the actual or when issued trading market for any securities comprising a distribution of Securities, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price of the Common Stock.

The occurrence of a Distribution Date (as defined in the Rights Agreement dated as of April 26, 1988, between the Corporation and State Street Bank and Trust Company, as Rights Agent, as may be amended from time to time, and any successor rights agreement (the "Rights Agreement")), or the occurrence of any other event as a result of which holders of shares of Series C Preferred Stock converting such shares into Common Stock hereunder will not be entitled to receive rights issued pursuant to the Rights Agreement (the "Rights") in the same amount and manner as if such holders had converted such shares immediately prior to the occurrence of such event, shall be deemed a distribution of Rights for the purposes of conversion adjustments pursuant to this Section

12

5(c)(iv). In lieu of making any adjustment to the Conversion Price under this Section 5(c)(iv) as a result of such a distribution of Rights, the Corporation may, at its option, amend such Rights Agreement to provide that Rights shall be issuable in the same amount and manner upon conversion of the Series C Preferred Stock without regard to whether the shares of Common Stock issuable upon conversion of the Series C

Preferred Stock were issued before or after such Distribution Date or other event.

(v) In case the Corporation shall, by dividend or otherwise, at any time distribute to all holders of its Common Stock cash (excluding (x) any quarterly cash dividend on the Common Stock to the extent the aggregate cash dividend per share of Common Stock in any fiscal quarter does not exceed the greater of (A) the amount per share of Common Stock of the next preceding quarterly cash dividend on the Common Stock to the extent such preceding quarterly dividend did not require any adjustment of the Conversion Price pursuant to this Section 5(c)(v) (as adjusted to reflect subdivisions or combinations of the Common Stock), and (B) 3.75% of the Current Market Price of the Common Stock on the Trading Day (as defined in Section 8) next preceding the date of declaration of such dividend and (y) any dividend or distribution in connection with the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary), then, in each such case, unless the Corporation elects to reserve such an amount of cash for distribution to the holders of the Series C Preferred Stock upon the conversion of the shares of Series C Preferred Stock so that any such holder converting such shares will receive upon such conversion, in addition to the shares of the Common Stock to which such holder is entitled, the amount of cash which such holder would have received if such holder had, immediately prior to the Record Date for such distribution of cash, converted its shares of Series C Preferred Stock into Common Stock, the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect at the close of business on such Record Date by a fraction of which the numerator shall be the Current Market Price of the Common Stock on such Record Date less the amount of cash so distributed (to the extent not excluded as provided above) applicable to one share of Common Stock and the denominator shall be such Current Market Price of the Common Stock, such reduction to become effective immediately prior to the opening of business on the day following such Record Date; provided, however, that in the event the portion of the cash so distributed applicable to one share of Common Stock is equal to or greater than the Current Market Price of the Common Stock on such Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of shares of Series C Preferred Stock shall thereafter have the right to receive upon conversion the amount of cash such

13

holder would have received had he converted each share of Series C Preferred Stock on such Record Date.

(vi) In case of the consummation of a tender or exchange offer made by the Corporation or any subsidiary of the Corporation for all or any portion of the Common Stock that involves the payment by the Corporation or such subsidiary of consideration per share of Common Stock having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a resolution of the Board of Directors) at the last time (the "Expiration Time") tenders or exchanges may be made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, the Conversion Price shall be reduced so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the Expiration Time by a fraction of which the numerator shall be the number of shares of Common Stock outstanding (including any tendered or exchanged shares) on the Expiration Time multiplied by the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time and the denominator shall be the sum of (x) the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Stock outstanding (less any Purchased Shares) on the Expiration Time and the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, such reduction to become effective immediately prior to the opening of business on the day following the Expiration Time.

(vii) The Corporation may make such reductions in the



Conversion Price, in addition to those required by this Section 5(c), as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Common Stock or rights to purchase Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes. To the extent permitted by applicable law, the Corporation from time to time may reduce the Conversion Price by any amount for any period of time if the period is at least 20 days, the reduction is irrevocable during the period and the Board of Directors shall have made a determination that such reduction would be in the best interests of the Corporation, which determination shall be conclusive. Whenever the Conversion Price is reduced pursuant to the preceding sentence, the Corporation shall mail to holders of record of the Series C Preferred Stock a notice of the reduction at least 15 days prior to the date the reduced

14

Conversion Price takes effect, and such notice shall state the reduced Conversion Price and the period it will be in effect.

(viii) No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price; provided, however, that any adjustments which by reason of this Section 5(c) (viii) are not required to be made shall be carried forward and taken into account in determining whether any subsequent adjustment shall be required.

(ix) Notwithstanding any other provision of this Section 5, no adjustment to the Conversion Price shall reduce the Conversion Price below the then par value per share of the Common Stock, and any such purported adjustment shall instead reduce the Conversion Price to such par value. The Corporation hereby covenants not to take any action (1) to increase the par value per share of the Common Stock or (2) that would or does result in any adjustment in the Conversion Price that, if made without giving effect to the previous sentence, would cause the Conversion Price to be less than the then par value per share of the Common Stock, provided, however, that the covenant in this sentence shall be suspended if within 10 days of determining in good faith that such action would result in such adjustment (but not later than the business day next following the effectiveness of such adjustment), the Corporation gives notice of redemption of all outstanding shares of the Series C Preferred Stock, and effects the redemption referred to in such notice on the redemption date referred to therein in compliance with Section 4, but the covenant in this sentence shall be retroactively reinstated if such notice and redemption does not occur.

(x) Wherever the Conversion Price is adjusted as herein provided:

(1) the Corporation shall compute the adjusted Conversion Price and shall prepare a certificate signed by the Treasurer or an Assistant Treasurer of the Corporation setting forth the adjusted Conversion Price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with the Transfer Agent; and

(2) a notice stating the Conversion Price has been adjusted and setting forth the adjusted Conversion Price shall as soon as practicable be mailed by the Corporation to all record holders of shares of Series C Preferred Stock at their last addresses as they shall appear upon the stock transfer books of the Corporation.

(xi) In any case in which this Section 5(c) provides that an adjustment shall become effective immediately after a Record Date for an event, the Corporation may defer until the

15

occurrence of such event (y) issuing to the holder of any share of Series C Preferred Stock converted after such Record Date and before the occurrence of such event the additional shares of Common Stock issuable upon such conversion by reason of the adjustment required by such event over and above the Common Stock issuable upon such conversion before giving effect to such adjustment and (z) paying to such holder any amount in cash in lieu of any fractional share of Common Stock pursuant to Section 5(d).

(d) No Fractional Shares. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon conversion of Series C Preferred Stock. Instead of any fractional share of Common Stock that would otherwise be issuable upon conversion of any shares of Series C Preferred Stock, the Corporation shall pay a cash adjustment in respect of such fractional interest in an amount equal to the same fraction of the Closing Price (as defined in Section 8) of a share of Common Stock (or, if there is no such Closing Price, the fair market value of a share of Common Stock, as determined or prescribed by the Board of Directors) at the close of business on the Trading Day immediately preceding the date of conversion.

(e) Reclassification, Consolidation, Merger or Sale of Assets. In the event that the Corporation shall be a party to any transaction (including without limitation any (i) recapitalization or reclassification of the Common Stock (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination of the Common Stock), (ii) any consolidation or merger of the Corporation with or into any other person or any merger of another person into the Corporation (other than a merger which does not result in a reclassification, conversion, exchange or cancellation of outstanding shares of Common Stock of the Corporation), (iii) any sale or transfer of all or substantially all of the assets of the Corporation, or (iv) any compulsory share exchange) pursuant to which the Common Stock shall be exchanged for, converted into, acquired for or constitute solely the right to receive other securities, cash or other property, then appropriate provision shall be made as part of the terms of such transaction whereby (1) in the case of any such transaction not constituting a Common Stock Fundamental Change (as defined in Section 5(i)) and subject to funds being legally available therefor at the time of such conversion, the holder of each share of Series C Preferred Stock then outstanding shall thereafter have the right to convert such share only into the kind and amount of securities, cash and other property receivable upon such recapitalization, reclassification, consolidation, merger, sale, transfer or share exchange by a holder of the number of shares of Common Stock into which such share of Series C Preferred Stock might have been converted immediately prior to such transaction, after giving effect, in the case of any Non-Stock Fundamental Change, to any adjustment in the Conversion Price required by the provisions of Section 5(h), and (2) in the case of a Common Stock Fundamental Change, the holder of each share of Series C Preferred Stock then outstanding shall

16

thereafter have the right to convert such share only into common stock of the kind received by holders of Common Stock as a result of such Common Stock Fundamental Change in an amount determined pursuant to the provisions of Section 5(h). The Corporation or the person formed by such consolidation or resulting from such merger or which acquired such assets or which acquired the Corporation's shares, as the case may be, shall make provisions in its certificate or articles of incorporation or other constituent document to establish such right. Such certificate or articles of incorporation or other constituent document shall provide for adjustments which, for events subsequent to the effective date of such certificate or articles of incorporation or other constituent document, shall be nearly equivalent as may be practicable to the adjustments provided for in this Section 5. The above provisions shall similarly apply to successive transactions of the type described in this Section 5(e).

(f) Reservation of Shares; Transfer Taxes; Etc. The Corporation shall at all times reserve and keep available, out of its authorized and unissued stock, solely for the purpose of effecting the conversion of the Series C Preferred Stock, such number of shares of its Common Stock free of preemptive rights as shall from time to time be sufficient to effect the conversion of all shares of Series C Preferred Stock from time to time outstanding. The Corporation shall from time to time, in accordance with the laws of the State of Delaware, use its best efforts to increase the authorized number of shares of Common Stock if at any time the number of shares of authorized and unissued Common Stock shall not be sufficient to permit the conversion of all the then outstanding shares of Series C Preferred Stock.

If any shares of Common Stock required to be reserved for purposes of conversion of the Series C Preferred Stock hereunder require registration with or approval of any governmental authority under any Federal or State law before such shares may be issued upon conversion, the Corporation will in good faith and as expeditiously as possible endeavor to cause such shares to be duly registered or approved, as the case may be. If the Common Stock is listed on the New York Stock Exchange or any other national

securities exchange, the Corporation will, in good faith and as expeditiously as possible, endeavor, if permitted by the rules of such exchange, to list and keep listed on such exchange, upon official notice of issuance, all shares of Common Stock issuable upon conversion of the Series C Preferred Stock.

(g) Prior Notice of Certain Events. In case:

(i) the Corporation shall (1) declare any dividend (or any other distribution) on its Common Stock, other than (A) a dividend payable in shares of Common Stock or (B) a dividend payable solely in cash for which no adjustment to the Conversion Price is required by Section 5(v) hereof or (2) declare or authorize a redemption or repurchase of in excess of 10% of the then outstanding shares of Common Stock; or

17

(ii) the Corporation shall authorize the granting to all holders of Common Stock of rights or warrants to subscribe for or purchase any shares of stock of any class or of any other rights or warrants (other than Rights); or

(iii) of any reclassification of Common Stock (other than a subdivision or combination of the outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value), or of any consolidation or merger to which the Corporation is a party and for which approval of any stockholders of the Corporation shall be required, or of the sale or transfer of all or substantially all of the assets of the Corporation or of any compulsory share exchange where the Common Stock is converted into other securities, cash or other property; or

(iv) of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

then the Corporation shall cause to be filed with the Transfer Agent, and shall cause to be mailed to the holders of record of the Series C Preferred Stock, at their last addresses as they shall appear upon the stock transfer books of the Corporation, at least 15 days prior to the applicable record date hereinafter specified, a notice stating (x) the date on which a record (if any) is to be taken for the purpose of such dividend, distribution, redemption, repurchase or granting of rights or warrants or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer, share exchange, liquidation, dissolution or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, share exchange, liquidation, dissolution or winding up. No failure to mail such notice or any defect therein or in the mailing thereof shall affect the validity of the corporate action required to be specified in such notice.

(h) Adjustments in Case of Fundamental Changes.

Notwithstanding any other provision in this Section 5 to the contrary, if any Fundamental Change (as defined in Section 5(i)) occurs, then the Conversion Price in effect will be adjusted immediately after such Fundamental Change (which for purposes of such adjustment shall be deemed to occur on the earlier of the occurrence of such Fundamental Change and the date, if any, fixed for determination of stockholders entitled to receive the cash, securities, property or other assets distributable in such Fundamental Change to holders of the Common Stock) as described below:

18

(i) In the case of a Non-Stock Fundamental Change, the Conversion Price immediately following such Non-Stock Fundamental Change shall be the lower of (A) the Conversion Price in effect immediately prior to such Non-Stock Fundamental Change, but after giving effect to any other prior adjustments effected pursuant to this Section 5, and (B) the product of (1) the greater of the Applicable Price (as defined in Section 5(i)) or the then applicable Reference Market Price (as defined in Section 5(i)) and (2) a fraction, the numerator of which is \$50 and the denominator of which is (x) the Redemption Price applicable on the date of such Non-Stock Fundamental Change (or, for the period commencing on

August 18, 1992 and ending on August 31, 1993 and the 12-month periods commencing September 1, 1993 and 1994, the product of 106.250%, 105.625% and 105.000%, respectively, times \$50), plus (y) an amount equal to full cumulative dividends thereon through but excluding the date of such Non-Stock Fundamental Change.

(ii) In the case of a Common Stock Fundamental Change, the Conversion Price immediately following such Common Stock Fundamental Change shall be the Conversion Price in effect immediately prior to such Common Stock Fundamental Change, but after giving effect to any other prior adjustments effected pursuant to this Section 5, multiplied by a fraction, the numerator of which is the Purchaser Stock Price (as defined in Section 5(i)) and the denominator of which is the Applicable Price; provided, however, that in the event of a Common Stock Fundamental Change in which (A) 100% of the value of the consideration received by a holder of Common Stock is common stock of the successor, acquiror or other third party (and cash, if any, paid with respect to any fractional interests in such common stock resulting from such Common Stock Fundamental Change) and (B) all of the Common Stock shall have been exchanged for, converted into or acquired for such common stock (and any cash paid with respect to fractional interests) of the successor, acquiror or other third party, the Conversion Price immediately following such Common Stock Fundamental Change shall be the Conversion Price in effect immediately prior to such Common Stock Fundamental Change multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of shares of common stock of the successor, acquiror, or other third party received by a holder of one share of Common Stock as a result of such Common Stock Fundamental Change.

(i) Definitions. The following definitions shall apply to terms used in this Section 5:

(1) "Applicable Price" shall mean (i) in the event of a Non-Stock Fundamental Change in which the holders of the Common Stock receive only cash, the amount of cash received by the holder of one share of Common Stock and (ii) in the event of any other Non-Stock Fundamental Change or any Common

19

Stock Fundamental Change, the Current Market Price on the date fixed for the determination of the holders of Common Stock entitled to receive cash, securities, property or other assets in connection with such Non-Stock Fundamental Change or Common Stock Fundamental Change, or, if there is no such date, as of the date upon which the holders of the Common Stock shall have the right to receive such cash, securities, property or other assets.

(2) "Common Stock Fundamental Change" shall mean any Fundamental Change in which more than 50% by value (as determined in good faith by the Board of Directors of the Corporation) of the consideration received by the holders of Common Stock pursuant to such transaction consists of common stock that, for the consecutive 10 Trading Days immediately prior to such Fundamental Change, has been admitted for listing or admitted for listing subject to notice of issuance on a national securities exchange or quoted on the National Market System of the National Association of Securities Dealers Automated Quotations System; provided, however, that a Fundamental Change shall not be a Common Stock Fundamental Change unless either (i) the Corporation continues to exist after the occurrence of such Fundamental Change and the outstanding shares of Series C Preferred Stock continue to exist as outstanding shares of Series C Preferred Stock, or (ii) not later than the occurrence of such Fundamental Change, the outstanding shares of Series C Preferred Stock are converted into or exchanged for shares of convertible preferred stock of a corporation succeeding directly or indirectly to the business of the Corporation, which convertible preferred stock has powers, preferences and relative, participating, optional or other rights, and qualifications, limitations and restrictions substantially similar to those of the Series C Preferred Stock.

(3) "Fundamental Change" shall mean the occurrence of any transaction or event or series of transactions or events pursuant to which all or substantially all of the Common Stock shall be exchanged for, converted into, acquired for or constitute solely the right to receive cash, securities, property or other assets (whether by means of an exchange offer, liquidation, tender offer, consolidation, merger, combination, reclassification, recapitalization or

otherwise); provided, however, in the case of any series of transactions or events, for purposes of adjustment of the Conversion Price, such Fundamental Change shall be deemed to have occurred when substantially all of the Common Stock of the Corporation shall be exchanged for, converted into, or acquired for or constitute solely the right to receive cash, securities, property or other assets, but the adjustment shall be based upon the consideration which the holders of Common Stock received in such transactions or event as a result of which more than 50% of the Common Stock of the Corporation shall have been exchanged for, converted into, or acquired for or constitute solely the right to receive cash,

20

securities, property or other assets; provided, further, that such term does not include (i) any such transactions or event in which the Corporation and/or any of its subsidiaries are the issuers of all the cash, securities, property or other assets exchanged, acquired or otherwise issued in such transaction or event, or (ii) any such transaction or event in which the holders of Common Stock receive securities of an issuer other than the Corporation if, immediately following such transaction or event, such holders hold a majority of the securities having the power to vote normally in the election of directors of such other issuer outstanding immediately following such transaction or other event.

(4) "Non-Stock Fundamental Change" shall mean any Fundamental Change other than a Common Stock Fundamental Change.

(5) "Purchaser Stock Price" shall mean, with respect to any Common Stock Fundamental Change, the average of the Closing Prices for one share of the common stock received in such Common Stock Fundamental Change during the 10 Trading Days immediately prior to the date fixed for the determination of the holders of Common Stock entitled to receive such common stock, or if there is no such date, the date upon which the holders of the Common Stock shall have the right to receive such common stock.

(6) "Reference Market Price" shall initially mean \$13.8333 (which is an amount equal to  $66 \frac{2}{3}\%$  of the Closing Price for the Common Stock on August 13, 1992), and in the event of any adjustment to the Conversion Price other than as a result of a Fundamental Change, the Reference Market Price shall also be adjusted so that the ratio of the Reference Market Price to the Conversion Price after giving effect to any such adjustment shall always be the same as the ratio of the initial Reference Market Price to the initial Conversion Price set forth in Section 5(a) above.

(j) Dividend or Interest Reinvestment Plans; Other.

Notwithstanding the foregoing provisions, the issuance of any shares of Common Stock pursuant to any plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and the investment of additional optional amounts in shares of Common Stock under any such plan, and the issuance of any shares of Common Stock or options or rights to purchase such shares pursuant to any employee benefit plan or program of the Corporation, or pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the date the Series C Preferred Stock was first designated (except as expressly provided in Section 5(c)(iv) with respect to certain events under the Rights Agreement), shall not be deemed to constitute an issuance of Common Stock or exercisable, exchangeable or convertible securities by the Corporation to which any of the adjustment provisions described above applies. There shall be no adjustment of the Conversion Price in case of the

21

issuance of any stock (or securities convertible into or exchangeable for stock) of the Corporation except as described in this Section 5. Except as expressly set forth in this Section 5, if any action would require adjustment of the Conversion Price pursuant to more than one of the provisions described above, only one adjustment shall be made and such adjustment shall be the amount of adjustment which has the highest absolute value.

(k) For purposes of this Section 5, the number of shares of Common Stock at any time outstanding shall not include any shares of Common Stock then owned or held by or for the account of the Corporation.

6. Voting Rights. Other than as required by applicable law, the

Series C Preferred Stock shall not have any voting powers either general or special except that:

(a) Unless a greater vote or consent shall then be required by law, the affirmative vote or consent of two-thirds of the votes to which the holders of the outstanding shares of the Series C Preferred Stock, and each other series of Preferred Stock of the Corporation similarly affected, if any, voting together as a single class, are entitled shall be necessary for authorizing, effecting or validating the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation or of any amendment or supplement thereto (including any Certificate of Designations, Preferences and Rights or any similar document relating to any series of Preferred Stock) of the Corporation, which would materially and adversely affect the preferences, rights, powers or privileges, qualification, limitations and restrictions of the Series C Preferred Stock and any such other series of Preferred Stock; provided, however, that the creation, issuance or increase in the amount of authorized shares of any series of Preferred Stock ranking on a parity with or junior to the Series C Preferred Stock as to the payment of dividends or upon liquidation, dissolution or winding up will not be deemed to materially and adversely affect such rights, powers or privileges, qualification, limitations and restrictions of the Series C Preferred Stock.

(b) Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of two-thirds of the votes to which the holders of the outstanding shares of the Series C Preferred Stock, and all other series of Preferred Stock of the Corporation ranking on parity with shares of the Series C Preferred Stock (either as to dividends or upon liquidation, dissolution or winding up) as to which like voting rights have been conferred, voting together as a single class, are entitled shall be necessary to create, authorize or issue, or reclassify any authorized stock of the Corporation into, or create, authorize or issue any obligation or security convertible into or evidencing a right to purchase, any shares of any class or series of stock of the Corporation ranking prior to the Series C Preferred Stock or ranking prior to any other class or series of Preferred Stock of the Corporation which ranks on a

22

parity with the Series C Preferred Stock as to dividends or upon liquidation, dissolution or winding up.

(c) Whenever, at any time or times, dividends payable on the shares of Series C Preferred Stock shall be in arrears in an amount equal to at least six full quarterly dividends on shares of the Series C Preferred Stock at the time outstanding, the holders of the outstanding shares of Series C Preferred Stock shall have the exclusive right, voting together as a class with holders of shares of any one or more other series of Preferred Stock (other than the Series A Preferred Stock) ranking on a parity with the Series C Preferred Stock (either as to dividends or upon liquidation, dissolution or winding up) upon which like voting rights have been conferred and are then exercisable, to elect two (2) directors of the Corporation for one-year terms at the Corporation's next annual meeting of stockholders and at each subsequent annual meeting of stockholders. If the right to elect directors shall have accrued to the holders of the Series C Preferred Stock more than 90 days prior to the date established for the next annual meeting of stockholders, the President of the Corporation shall, within 20 days after delivery to the Corporation at its principal office of a written request for a special meeting signed by the holders of at least 10% of all outstanding shares of the Series C Preferred Stock, call a special meeting of the holders of Series C Preferred Stock to be held within 60 days after the delivery of such request for the purpose of electing such additional directors. Upon the vesting of such right of the holders of Series C Preferred Stock, the maximum authorized number of members of the Board of Directors shall automatically be increased by two and the two vacancies so created shall be filled by vote of the holders of the outstanding shares of Series C Preferred Stock (either alone or together with the holders of shares of any one or more other such series of Preferred Stock entitled to vote in such election) as set forth above. The right of the holders of Series C Preferred Stock to elect members of the Board of Directors of the Corporation as aforesaid shall continue until such time as all dividends in arrears on the Series C Preferred Stock shall have been paid in full or declared and set apart for payment, at which time such right shall terminate, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent default of the character above described.

(d) Upon termination of such special voting rights attributable to all holders of the Series C Preferred Stock and

any other such series of Preferred Stock ranking on a parity with the Series C Preferred Stock as to dividends or upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable, the term of office of each director elected by the holders of shares of Series C Preferred Stock and such parity Preferred Stock (a "Preferred Stock Director") pursuant to such special voting rights shall immediately terminate and the number of directors constituting the entire Board of Directors shall be reduced by the number of Preferred Stock Directors. Any Preferred Stock Director may be

23

removed by, and shall not be removed otherwise than by, a majority of the votes to which the holders of the outstanding shares of Series C Preferred Stock and all other such series of Preferred Stock ranking on a parity with the Series C Preferred Stock with respect to dividends who were entitled to participate in such Preferred Stock Director's election, voting as a single class, are entitled. If the office of any Preferred Stock Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining Preferred Stock Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(e) In connection with any right to vote, each holder of Series C Preferred Stock shall be entitled to one vote for each share held (the holders of shares of any other series of Preferred Stock being entitled to such number of votes, if any, for each share of stock held as may be granted to them).

7. Ranking. The Common Stock and Series B Participating Preferred Stock shall rank junior to the Series C Preferred Stock, and the Series A Preferred Stock shall rank on a parity with the Preferred Stock, as to dividends and upon liquidation, dissolution or winding up, in each case as described in Section 2 or 3, respectively. Any other class or series of stock of the Corporation shall be deemed to rank:

(a) prior to the Series C Preferred Stock, as to dividends or upon liquidation, dissolution or winding up as described in Section 3, respectively, if the holders of such class shall be entitled to the receipt of dividends or of amounts distributable upon such a liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of the Series C Preferred Stock;

(b) on a parity with the Series C Preferred Stock, as to dividends or upon liquidation, dissolution or winding up as described in Section 3, respectively, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series C Preferred Stock, if the holders of such class of stock and the Series C Preferred Stock shall be entitled to the receipt of dividends or of amounts distributable upon such a liquidation, dissolution or winding up, as the case may be, in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation prices, without preference or priority one over the other; and

(c) junior to the Series C Preferred Stock, as to dividends or upon liquidation, dissolution or winding up as described in Section 3, respectively, if the holders of Series C Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon such a liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of shares of such stock.

24

8. Definitions. For purposes of this Certificate of Designations, Preferences and Rights of Series C Preferred Stock, the following terms shall have the meanings indicated:

(a) "business day" shall mean any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York or The Commonwealth of Massachusetts are authorized or obligated by law or executive order to close or a day which is or is declared a national or New York or Massachusetts state holiday;

(b) "Closing Price" with respect to any securities on any day shall mean the closing sale price regular way on such day or, in case no such sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in each case on the New York Stock Exchange, or, if such security is not listed or admitted to trading on such Exchange, on the principal national

securities exchange or quotation system on which such security is quoted or listed or admitted to trading, or, if not quoted or listed or admitted to trading on any national securities exchange or quotation system, the average of the closing bid and asked prices of such security on the over-the-counter market on the day in question as reported by the National Quotation Bureau Incorporated, or a similarly generally accepted reporting service, or if not so available, in such manner as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors for that purpose or a price determined in good faith by the Board of Directors.

(c) "Current Market Price" shall mean, for purposes of any computation under Section 5(c) (vi), the average of the daily Closing Prices per share of Common Stock on the day in question and the next two succeeding Trading Days, and for purposes of any other computation hereunder, the average of the daily Closing Prices per share of Common Stock for the ten consecutive Trading Days immediately prior to the date in question; provided, however, that (1) if the "ex" date (as hereinafter defined) for any event (other than the issuance, distribution or Fundamental Change requiring such computation) that requires an adjustment to the Conversion Price occurs during the applicable measurement period, for purposes of such computation the Closing Price for each Trading Day prior to the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the same fraction by which the Conversion Price is so required to be adjusted as a result of such other event, (2) if the "ex" date for any event (other than the issuance, distribution or Fundamental Change requiring such computation) that requires an adjustment to the Conversion Price occurs on or after the "ex" date for the issuance, distribution or Fundamental Change requiring such computation and on or prior to the day in question, for purposes of such computation the Closing Price for each Trading Day on and after the "ex" date for such other event shall be adjusted by multiplying such Closing Price by the reciprocal of the fraction by which the Conversion Price is so required to be adjusted as a result of such other event, and (3) if the "ex" date for the

25

issuance, distribution or Fundamental Change requiring such computation is on or prior to the day in question, for purposes of such computation, after taking into account any adjustment required pursuant to clause (1) or (2) of this proviso, the Closing Price for each Trading Day on or after such "ex" date shall be adjusted by adding thereto the amount of any cash and the fair market value (as determined by the Board of Directors in a manner consistent with any determination of such value for purposes of paragraph (iv) or (vi) of this Section 5(c), whose determination shall be conclusive and described in a resolution of the Board of Directors) of the evidences of indebtedness, shares of capital stock or assets being distributed applicable to one share of Common Stock as of the close of business on the day before such "ex" date. For purposes of this paragraph, the term "ex" date, (1) when used with respect to any issuance or distribution, means the first date on which the Common Stock trades regular way on the relevant exchange or in the relevant market from which the Closing Price was obtained without the right to receive such issuance or distribution, (2) when used with respect to any subdivision or combination of shares of Common Stock, means the first date on which the Common Stock trades regular way on such exchange or in such market after the time at which such subdivision or combination becomes effective, and (3) when used with respect to any tender or exchange offer means the first date on which the Common Stock trades regular way on such exchange or in such market after the Expiration Time of such offer.

(d) "fair market value" shall mean the amount which a willing buyer would pay a willing seller in an arm's length transaction.

(e) "full cumulative dividends" shall mean, with respect to the Series C Preferred Stock, or any other capital stock of the Corporation, as of any date the amount of accumulated, accrued and unpaid dividends payable on such shares of Series C Preferred Stock, or other capital stock, as the case may be, whether or not earned or declared and whether or not there shall be funds legally available for the payment thereof.

(f) "Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or



by statute, contract or otherwise), and with respect to any subdivision or combination of the Common Stock, the effective date of such subdivision or combination.

(g) "Trading Day" shall mean (x) if the applicable security is listed or admitted for trading on the New York Stock Exchange or another national securities exchange, a day on which the New

26

York Stock Exchange or another national securities exchange is open for business or (y) if the applicable security is quoted on the National Market System of the National Association of Securities Dealers Automated Quotation System, a day on which trades may be made on such National Market System or (z) if the applicable security is not so listed, admitted for trading or quoted, any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(h) "Transfer Agent" shall mean State Street Bank and Trust Company, or any other national or state bank or trust company having combined capital and surplus of at least \$100,000,000 and designated by the Corporation as the transfer agent and/or registrar of the Series C Preferred Stock, or if no such designation is made, the Corporation.

27

IN WITNESS WHEREOF, The TJX Companies, Inc., has caused this Certificate of Designation to be signed by its Vice President - Finance and its Secretary this 19th day of August, 1992.

THE TJX COMPANIES, INC.

By: /s/ STEVEN R. WISHNER  
Steven R. Wishner  
Vice President - Finance

Attest: /s/ JAY H. MELTZER  
Jay H. Meltzer  
Secretary



## THE TJX COMPANIES, INC.

## BY-LAWS

## ARTICLE I

## Certificate of Incorporation

The name, location of the principal office or place of business in the State of Delaware, and the nature of the business or objects or purposes of the corporation shall be as set forth in its certificate of incorporation. These by-laws, the powers of the corporation and of its directors and stockholders, and all matters concerning the management of the business and conduct of the affairs of the corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the certificate of incorporation; and the certificate of incorporation is hereby made a part of these by-laws. In these by-laws, references to the certificate of incorporation mean the provisions of the certificate of incorporation (as that term is defined in the General Corporation Law of the State of Delaware) of the corporation as from time to time in effect, and references to these by-laws or to any requirement or provision of law mean these by-laws or such requirement or provision of law as from time to time in effect.

## ARTICLE II

## Annual Meeting of Stockholders

The annual meeting of stockholders shall be held either (i) at 11:00 a.m. on the first Tuesday in June in each year, unless that day be a legal holiday at the place where the meeting is to be held, in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday, or (ii) at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which the stockholders shall elect a board of directors and transact such other business as may be required by law or these by-laws or as may properly come before the meeting.

## ARTICLE III

## Special Meetings of Stockholders

Except as otherwise required by law and or as fixed pursuant to the provisions of Article FOURTH of the certificate of incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of the stockholders may be called only by the chairman of the board, the president, or the board of directors pursuant to a resolution approved by a majority of the entire board of directors. Such call shall state the time, place and purposes of the meeting.

## ARTICLE IV

## Place of Stockholders' Meetings

The annual meeting of the stockholders, for the annual election of directors and other purposes, shall be held at such place within or without the State of Delaware as the board of directors shall fix for such meeting. Adjourned meetings of the stockholders shall be held at such places and at such times as the board of directors shall fix. Special meetings of the stockholders, and adjourned special meetings of the stockholders, shall be held at such places within or without the State of Delaware and such time as the board of directors shall fix.

## ARTICLE V

## Notice of Stockholders' Meetings

Except as may be otherwise required by law, by the certificate of incorporation or by other provisions of these by-laws, and subject to the provisions of Article XXII, a written notice of each meeting of stockholders, stating the place, day and hour thereof and the purposes for which the meeting is called, shall be given, at least ten days before the meeting, to each stockholder entitled to vote thereat, by leaving such notice

with him or at his residence or usual place of business, or by mailing it, postage prepaid, addressed to such stockholder at his address as it appears upon the books of the corporation. Such notice shall be given by the secretary, or in case of the death, absence, incapacity or refusal of the secretary, by some other officer or by a person designated by the board of directors.

#### ARTICLE VI

##### Quorum and Action of Stockholders

Any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

At any meeting of the stockholders, a quorum for the election of directors or for the consideration of any question shall consist of a majority of the stock issued and outstanding; except in any case where a larger quorum is required by law, by the certificate of incorporation or by these by-laws. Stock owned by the corporation, if any, shall not be deemed outstanding for this purpose. In any case any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

When a quorum for the election of any director is present at any meeting, a plurality of the votes properly cast for election to such office shall elect to such office. When a quorum for the consideration of a question is present at any meeting, a majority of the votes properly cast upon the question shall decide the question; except in any case where a larger vote is required by law, by the certificate of incorporation or by these by-laws.

#### ARTICLE VII

##### Proxies and Voting

Except as otherwise provided in the certificate of incorporation, and subject to the provisions of Article XXV, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period; and except where the transfer books of the corporation shall have been closed or a date shall have been fixed as a record date for the determination of the stockholders entitled to vote, as provided in Article XXV, no share of stock shall be voted on at any election for directors which has been transferred on the books of the corporation within twenty days next preceding such election of directors. Shares of the capital stock of the corporation belonging to the corporation shall not be voted upon directly or indirectly.

Persons holding stock in a fiduciary capacity shall be entitled to vote the shares so held, or to give any consent permitted by law, and persons whose stock is pledged shall be entitled to vote, or to give any consent permitted by law, unless in the transfer by the pledgor on the books of the corporation he shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee or his proxy may represent said stock and vote thereon or give any such consent.

The secretary shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote at said election, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder during ordinary business hours, at the place where said election is to be held, for said ten days, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present. The original or duplicate stock ledger shall be the only evidence as to who are stockholders entitled to examine such list or to vote in person or by proxy at such election.

#### ARTICLE VIII

OMITTED

#### ARTICLE IX

##### Board of Directors

The whole board of directors shall consist of not less than three nor more than fifteen directors. Within such limits the

whole number of directors shall be fixed from time to time, subject to the provisions of Article XXI hereof, by action of the board of directors.

Except as otherwise fixed pursuant to the provisions of Article FOURTH of the certificate of incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of directors of the corporation shall be fixed from time to time by or pursuant to these by-laws. The directors, other than those who may be elected by the holders of any class or series of stock having preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, designated Class I, Class II and Class III, as nearly equal in number as possible, with the term of office of one Class expiring each year. At the annual meeting of stockholders in 1985, directors of Class I shall be elected to hold office for a term expiring at the next succeeding annual meeting, directors of Class II shall be elected to hold office for a term expiring at the second succeeding annual meeting and directors of Class III shall be elected to hold office for a term expiring at the third succeeding annual meeting, with the members of each Class to hold office until their successors are elected and qualified. At each subsequent annual meeting of the stockholders of the Corporation, the successors to the Class of directors whose term expires at such meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

References in these by-laws to the whole board of directors mean the whole number fixed as herein or in the certificate of incorporation provided, irrespective of the number at the time in office.

Each newly created directorship resulting from any increase in the number of directors may be filled only as provided in Article XXI for the filling of a vacancy in the office of a director.

No director need be a stockholder.

Except as otherwise fixed pursuant to the provisions of Article FOURTH of the certificate of incorporation relating to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, nominations for the election of directors may be made by the board of directors or a committee appointed by the board of directors or by any stockholder entitled to vote in the election of directors generally. However, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been personally delivered to or otherwise received by the secretary of the corporation not later than (i) with respect to an election to be held at an annual meeting of stockholders, ninety days prior to the anniversary date of the immediately preceding annual meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission; and (e) the consent of each nominee to serve as a director of the corporation if so elected. The presiding officer of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

#### ARTICLE X

##### Powers of the Board of Directors

The board of directors shall have and may exercise all the powers of the corporation; except such as are conferred upon the stockholders by law, by the certificate of incorporation or by

these by-laws.

## ARTICLE XI

### Committees

The board of directors may at any time and from time to time, by resolution adopted by a majority of the whole board, designate, change the membership of or terminate the existence of any committee or committees, including if desired any executive committee, each committee to consist of two or more of the directors of the corporation. Each such committee shall have such name as may be determined from time to time by resolution adopted by a majority of the whole board of directors and shall have and may exercise such powers of the board of directors in the management of the business and affairs of the corporation, including power to authorize the seal of the corporation to be affixed to all papers which may require it, as may be determined from time to time by resolution adopted by a majority of the whole board. All minutes of proceedings of committees shall be available to the board of directors on its request.

In the absence or disqualification of any member of such committee or committees the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of such absent or disqualified member.

## ARTICLE XII

### Meetings of the Board of Directors

Regular meetings of the board of directors may be held without call or formal notice at such places either within or without the State of Delaware and at such times as the board may from time to time determine. A regular meeting of the board of directors may be held without call or formal notice immediately after and at the same place as the annual meeting of the stockholders.

Special meetings of the board of directors may be held at any time and at any place either within or without the State of Delaware when called by the chairman of the board (if any), the president, the treasurer or two or more directors, reasonable notice thereof being given to each director by the secretary, or in the case of the death, absence, incapacity or refusal of the secretary, by the officer or directors calling the meeting, or without call or formal notice if each director then in office is either present or waives notice as provided in Article XXII. In any case it shall be deemed sufficient notice to a director to send notice by mail at least forty-eight hours or by telegram at least twenty-four hours before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person either by telephone or by handing him a written notice at least twenty-four hours before the meeting.

## ARTICLE XIII

### Quorum and Action of Directors

At any meeting of the board of directors, except in any case where a larger quorum or the vote of a larger number of directors is required by law, by the certificate of incorporation or by these by-laws, a quorum for any election or for the consideration of any question shall consist of a majority of the directors then in office, but in any case not less than two directors; but any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice. When a quorum is present at any meeting, the votes of a majority of the directors present and voting shall be requisite and sufficient for election to any office, and a majority of the directors present and voting shall decide any question brought before such meeting, except in any case where a larger vote is required by law, by the certificate of incorporation or by these by-laws.

## ARTICLE XIV

### Consent by Directors or Committees

To the extent permitted by law, whenever a vote or resolution at a meeting of the board of directors or of any committee thereof is required or permitted to be taken in connection with any corporate action by any provision of law or of the certificate of incorporation or of these by-laws, such meeting and such vote or resolution may be dispensed with and such corporate action may be taken without such meeting, vote or resolution, if a written consent to such corporate action is signed by all members of the board or of such committee, as the

case may be, and such written consent if filed with the minutes of the proceedings of the board or of such committee.

#### ARTICLE XV

The officers of the corporation shall be a chairman of the board, a president, a treasurer, a secretary, and such other officers, if any, as the board of directors may in its discretion elect. The chairman of the board and the president shall be chosen from among the directors. The board of directors may delegate to the chief executive officer the authority to appoint assistant vice presidents, assistant treasurers, assistant secretaries and such agents, if any, as he may in his discretion determine to appoint. So far as is permitted by law any two or more offices may be held by the same person. The chief executive officer may appoint such officers of the divisions of the corporation as he in his discretion shall determine, the officers of divisions not being officers of the corporation. Officers of the divisions may also be appointed officers of the corporation by the board of directors or by the chief executive officer as above provided.

Subject to law, to the certificate of incorporation and to the other provisions of these by-laws, each officer elected by the board of directors or appointed by the chief executive officer shall have, in addition to the duties and powers herein set forth, such duties and powers as are commonly incident to his office and such duties and powers as the board of directors or the chief executive officer may from time to time designate.

Officers elected by the board of directors shall be elected annually at its first meeting following the annual meeting of the stockholders. Officers appointed by the chief executive officer shall be appointed annually by the chief executive officer on the day of the annual meeting of the stockholders. Additional officers may be elected by the board of directors or appointed by the chief executive officer at any time.

Each officer elected by the board of directors shall hold office until the first meeting of the board of directors following the next annual meeting of the stockholders and until his successor is elected or appointed and qualified, or until he sooner dies, resigns, is removed or replaced or becomes disqualified. Each officer and agent appointed by the chief executive officer shall retain his authority at the pleasure of the chief executive officer.

#### ARTICLE XVI

##### Chairman of the Board of Directors

The chairman of the board shall participate in matters of planning and policy, both financial and operational. The chairman shall preside at all meetings of the stockholders and of the board of directors at which he is present, except that in the absence of the chairman, or at the request of the chairman, the president shall preside. The chairman shall have such other duties and powers as may be designated from time to time by the board of directors.

#### ARTICLE XVII

##### President

The president shall be the chief executive officer of the corporation with ultimate responsibility for the corporation's planning and operations, both financial and operational subject to the policies and direction of the board of directors.

#### ARTICLE XVIII

##### Chief Financial Officer

The chief financial officer is responsible for execution of all financial policies, plans, procedures and controls of the corporation, and the maintenance of books and records with respect thereto, including accounting and treasury functions, internal audit, budgets, borrowings, securities offerings, investments, tax reporting and financial reporting all subject to the control of the board of directors, the president and the chairman of the board. The chief financial officer shall have such other duties and powers as may be designated from time to time by the board of directors, the president or the chairman.

#### ARTICLE XIX

##### Secretary and Treasurer

The secretary shall record all the proceedings of the meetings of the stockholders and the board of directors, in a book or books to be kept for that purpose, and in his absence from any such meeting a temporary secretary shall be chosen who shall record the proceedings thereof.

The secretary shall have charge of the stock ledger (which may, however, be kept by any transfer agent or agents of the corporation), an original or duplicate of which shall at all times during the usual hours for business be open to the examination of every stockholder at the principal office of the corporation. The secretary shall have such other duties and powers as may be designated from time to time by the board of directors or by the chief executive officer.

The treasurer shall be in charge of the funds and valuable papers of the corporation and shall have such other duties and powers as may be designated from time to time by the board of directors, by the chief executive officer or by the chief financial officer.

## ARTICLE XX

### Resignations and Removals

Any director or officer may resign at any time by delivering his resignation in writing to the president or the secretary or to a meeting of the board of directors, and such resignation shall take effect at the time stated therein, or if no time be so stated then upon its delivery, and without the necessity of its being accepted unless the resignation shall so state. Except as otherwise fixed pursuant to the provisions of Article FOURTH of the certificate of incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, without cause, only by the affirmative vote of the holders of 66 2/3% of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class. The board of directors may at any time, by vote of a majority of the directors present and voting, terminate or modify the authority of any agent.

## ARTICLE XXI

### Vacancies

Except as otherwise fixed pursuant to the provisions of Article FOURTH of the certificate of incorporation relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the board of directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the Class of directors in which the new directorship was created or the vacancy occurred and until such director's successor shall have been elected and qualified. No decrease in the number of directors constituting the board of directors shall shorten the term of any incumbent director. If the office of any officer becomes vacant, by reason of death, resignation, removal or disqualification, a successor may be elected or appointed by the board of directors by vote of a majority of the directors present and voting. Each such successor officer shall hold office for the unexpired term, and until his successor shall be elected or appointed and qualified, or until he sooner dies, resigns, is removed or replaced or becomes disqualified. The board of directors shall have and may exercise all its powers notwithstanding the existence of one or more vacancies in the whole board, subject to any requirements of law or of the certificate of incorporation or of these by-laws as to the number of directors required for a quorum or for any vote, resolution or other action.

## ARTICLE XXII

### Waiver of Notice

Whenever any notice is required to be given by law or under the provisions of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein or otherwise fixed for the meeting or other event for which notice is waived, shall be deemed equivalent to such



notice.

#### ARTICLE XXIII

##### Certificates of Stock

Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the president or a vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation; provided, however, that where such certificate is signed (1) by a transfer agent or an assistant transfer agent or (2) by a transfer clerk acting on behalf of the corporation and a registrar, the signature of the president, vice president, treasurer, assistant treasurer, secretary or assistant secretary may be facsimile. In case any officer or officers who shall have signed or whose facsimile signature or signatures shall have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation, and any such issue and delivery shall be regarded as an adoption by the corporation of such certificate or certificates. Certificates of stock shall be in such form as shall, in conformity to law, be prescribed from time to time by the board of directors.

#### ARTICLE XXIV

##### Transfer of Shares of Stock

Subject to applicable restrictions upon transfer, if any, title to a certificate of stock and to the shares represented thereby shall be transferred only by delivery of the certificate properly endorsed, or by delivery of the certificate accompanied by a written assignment of the same, or a written power of attorney to sell, assign or transfer the same or the shares represented thereby, properly executed; but the person registered on the books of the corporation as the owner of shares shall have the exclusive right to receive the dividends thereon and, except as provided in Article VII with respect to stock which has been pledged, to vote thereon as such owner or to give any consent permitted by law, and shall be held liable for such calls and assessments, if any, as may lawfully be made thereon, and except only as may be required by law, may in all respects be treated by the corporation as the exclusive owner thereof. It shall be the duty of each stockholder to notify the corporation of his post office address.

#### ARTICLE XXV

##### Transfer Books; Record Date

The board of directors shall have power to close the stock transfer books of the corporation for a period not exceeding fifty days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding fifty days in connection with obtaining the consent of stockholders for any purpose; provided, however, that in lieu of closing the stock transfer books as aforesaid, the board of directors may fix in advance a date, not exceeding fifty days preceding the date of any meeting of stockholders, or any other of the above mentioned events, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

#### ARTICLE XXVI

##### Loss of Certificates

In the case of the alleged loss or destruction or the mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms in conformity with law as the board of directors may prescribe.

#### ARTICLE XXVII

##### Seal

The corporate seal of the corporation shall, subject to alteration by the board of directors, consist of a flat-faced circular die with the word "Delaware", together with the name of the corporation and the year of its organization, cut or engraved thereon. The corporate seal of the corporation may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

#### ARTICLE XXVIII

##### Execution of Papers

Except as the board of directors may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the corporation shall be signed by the president or by one of the vice presidents or by the treasurer.

#### ARTICLE XXIX

##### Fiscal Year

Except as from time to time otherwise provided by the board of directors, the fiscal year of the corporation shall terminate on the last Saturday in January of each year.

#### ARTICLE XXX

##### Amendments

The board of directors and the stockholders shall each have the power to adopt, alter, amend and repeal these by-laws; and any by-laws adopted by the directors or the stockholders under the powers conferred hereby may be altered, amended or repealed by the directors or by the stockholders; provided, however, that these by-laws shall not be altered, amended or repealed by action of the stockholders, and no by-law shall be adopted by action of the stockholders, without the affirmative vote of the holders of at least 66 2/3% of the voting power of all the shares of the corporation entitled to vote generally in the election of directors, voting together as a single class.

EMPLOYMENT AGREEMENT

DATED AS OF JANUARY 30, 1994

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. SUCCESSION.....	6
5. OTHER TERMINATION OF EMPLOYMENT; IN GENERAL.....	7
6. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT.....	8
7. TERMINATION FOR CAUSE; VIOLATION OF CERTAIN AGREEMENTS....	12
8. BENEFITS UPON CHANGE IN CONTROL.....	12
9. AGREEMENT NOT TO SOLICIT OR COMPETE.....	12
10. ASSIGNMENT.....	14
11. NOTICES.....	14
12. WITHHOLDING.....	14
13. GOVERNING LAW.....	14
14. ARBITRATION.....	14
15. ENTIRE AGREEMENT.....	15
EXHIBIT A	
Terms of Performance-Based Deferred Stock ("PBDS").....	A-1
EXHIBIT B	
Definition Of "Earnings Per Share".....	B-1
EXHIBIT C	
Certain Definitions.....	C-1
EXHIBIT D	
Definition of "Change of Control".....	D-1
EXHIBIT E	
Change Of Control Benefits.....	E-1

BERNARD CAMMARATA

EMPLOYMENT AGREEMENT

AGREEMENT dated as of January 30, 1994 between BERNARD

RECITALS

Executive has been employed by The TJX Companies, Inc. (the "Company") as its President and Chief Executive Officer pursuant to an employment agreement dated as of June 1, 1989 and amendments thereto (the "Prior Agreement"). The Company and Executive intend that Executive should continue to serve as President and Chief Executive Officer of the Company 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 January 30, 1994 (the "Effective Date") and, as of that date, shall supersede the Prior Agreement. Executive's employment shall continue on the terms provided herein until January 31, 1998 and thereafter until terminated by either Executive or the Company, subject to earlier termination as provided herein (such period of employment hereinafter called the "Employment Period").

2. SCOPE OF EMPLOYMENT.

(a) Nature of Services. Executive shall diligently perform the duties and assume the responsibilities of President and Chief Executive Officer of the Company and such additional executive duties and responsibilities as shall from time to time be assigned to him by the Board.

-1-

(b) Extent of Services. Except for illnesses and vacation periods, Executive shall devote substantially all his working time and attention and his best efforts to the performance of his duties and responsibilities under this Agreement. However, Executive may (a) make any passive investments where he is not obligated or required to, and shall not in fact, devote any managerial efforts, (b) participate in charitable or community activities or in trade or professional organizations, or (c) subject to Board approval (which approval shall not be unreasonably withheld or withdrawn), hold directorships in public companies, except only that the Board shall have the right to limit such services as a director or such participation whenever the Board shall believe that the time spent on such activities infringes in any material respect upon the time required by Executive for the performance of his duties under this Agreement or is otherwise incompatible with those duties.

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: (i) for the period beginning January 30, 1994 and ending May 31, 1995, \$850,000 per year; and (ii) for periods beginning on or after June 1, 1995, such rate (not less than \$850,000 per year) as the Board may determine.

(b) Existing Awards Under 1986 Stock Incentive Plan (Including LRPPI). Reference is made to the following awards previously made to Executive under the Company's 1986 Stock Incentive Plan (including any successor, the "1986 Plan"), including awards under the Long Range Performance Incentive Plan:

(i) PARS: The award for 100,000 shares referenced in Section 3(d) of the Prior Agreement, and the award dated September 17, 1990;

(ii) Options: Grant Nos. 86-18, 86-21, 86-27 (reflected at Section 3(g) of the Prior Agreement), 86-34, 86-37, 86-40, and 86-42; and

(iii) LRPPI: Awards made prior to the date of this Agreement under the terms of LRPPI.

Each of the above-referenced awards shall continue for such period or periods and in accordance with such terms as are set out in the grant and other governing documents (including for this purpose the Prior Agreement insofar as it related to any such awards) relating to such award, and shall not be affected by

-2-

the terms of this Agreement except as otherwise expressly provided herein.

(c) Awards of Performance-Based Deferred Stock. By written action taken at its meeting dated March 29, 1994, the Committee has determined to grant to Executive under the terms of the 1986 Plan 150,000 shares of performance-based deferred stock on the further terms and conditions set forth in Exhibit A to this Agreement. This Agreement, including Exhibit A, shall constitute the Award Agreement in respect of such shares required by the 1986 Plan.

(d) LRPPIP. During the Employment Period but subject to approval by the stockholders of the Company, in accordance with Section 162(m) of the Code, of the material terms of LRPPIP, Executive will be entitled to participate in annual grants made under LRPPIP. To the extent provided in Section 162(m) of the Code, the terms of any such award shall be established by the Committee. Subject to the foregoing, Executive shall be entitled with respect to each award cycle (beginning with the FYE 1995 to 1997 cycle) to earn up to 70% of his Base Salary as in effect at the beginning of the cycle if the target established by the Committee is met and up to 105% of such Base Salary if such target is exceeded, with the payment potential ranging from 0% to 105% of Executive's Base Salary as established by the terms of the award.

(e) MIP. During the Employment Period but subject to approval by the stockholders of the Company, in accordance with Section 162(m) of the Code, of the material terms of the Company's Management Incentive Plan ("MIP"), Executive shall be eligible to receive annual awards under MIP. To the extent provided in Section 162(m) of the Code, the goals, scope and conditions of any award shall be established annually by the Committee. Subject to the foregoing, Executive shall be entitled to earn up to 50% of his Base Salary if the target established by the Committee is met and up to 100% of his Base Salary if such target is exceeded, with the payment potential ranging from 0% to 100% of Executive's Base Salary as established by the terms of the award.

(f) New Stock Options. The Committee has determined to grant annually to Executive during the Employment Period, beginning in 1994, non-statutory stock options under the 1986 Plan (the "Options"). The Options to be granted to Executive for each such year shall be for not less than 50,000 shares of Stock (subject to adjustment in accordance with the generally applicable provisions of the 1986 Plan to reflect any stock splits, recapitalizations or similar changes), or such larger number as the Committee may determine. (For 1994 the Option grant shall be for 75,000 shares of Stock.) The exercise price

-3-

for each such Option shall be the fair market value of the Stock on the date of grant, as determined by the Committee. Each such Option shall vest (become exercisable) on a cumulative basis at the rate of 33-1/3% per year beginning with the first anniversary of the date of grant of such Option, subject to acceleration in accordance with the 1986 Plan and this Agreement, and each such Option shall have a term of ten years, subject to earlier termination in accordance with the 1986 Plan and this Agreement. If prior to January 31, 1998 (i) Executive dies or becomes Disabled, or (ii) a Change of Control occurs while Executive is employed by the Company, or (iii) Executive voluntarily terminates the Employment Period for Valid Reason or (iv) his employment is terminated by the Company other than for Cause, then all Executive's Options then outstanding shall be immediately vested. Notwithstanding the foregoing, the Committee reserves the right to grant to Executive, in lieu of any Options described in this Section 3(f), shares of Stock having a fair market value on the date of grant equal to the value of such

Options determined in accordance with the Black-Scholes option valuation methodology.

If Executive dies or becomes Disabled while employed by the Company, all his Options shall remain exercisable for a period of three years, but in no event beyond their original term. Upon the expiration of such three-year term, the Options shall terminate. In the event Executive retires under the terms of the 1986 Plan, all his Options shall remain exercisable (to the extent they were exercisable immediately prior to such retirement) for a period of three years or, if less, the remainder of the original option term, and then shall terminate. Upon any other termination of employment the Options shall remain exercisable (to the extent they were exercisable immediately prior to such termination, taking into account any applicable accelerated vesting as described above) for a period equal to the lesser of (i) three months, or (ii) the remainder of their original term, and then shall terminate. However, if Executive is terminated for Cause all the Options shall immediately terminate.

(g) SERP. Except as provided in Exhibit E ("Change of Control Benefits") and this subsection (g), Executive is entitled to Category B benefits determined and made payable in accordance with the generally applicable provisions of the Company's Supplemental Executive Retirement Plan.

(i) Benefits vested to the extent accrued. Subject to the provisions of Section 7 below, Executive has a fully vested right to his accrued benefit under SERP based (except as provided in Exhibit E) on his actual years of service. Executive shall continue to be fully vested in any future accruals under SERP.

-4-

(ii) Death benefit. If Executive should die unmarried during the Employment Period, the Company shall pay a lump sum death benefit to his designated beneficiary, or if none to his estate. The lump sum death benefit payable in accordance with this paragraph shall be paid as soon as practicable following the date of Executive's death (the "benefit determination date") and shall be in lieu of any other death benefit then payable under SERP. The amount of such lump sum death benefit shall be determined by assuming that Executive:

(A) was married to a spouse of the same age as himself;

(B) retired on the benefit determination date and deferred receipt of his SERP benefit until age 65;

(C) commenced receiving his SERP benefit at age 65 in the form of a reduced joint and survivor annuity with a 50% continuance to such spouse if she survived him; and

(D) died immediately after commencement of that annuity.

The lump sum death benefit described in this subsection (g) shall be the actuarial present value, determined as of the benefit determination date, of the hypothetical survivor-spouse annuity determined in accordance with the assumptions described in (A) through (D) above. For purposes of making this actuarial present-value determination, the same interest rate and mortality assumptions shall be applied as would apply in determining a Category B SERP participant's retirement lump sum benefit payable as of the benefit determination date.

For purposes of this subsection (g), Executive's designated beneficiary shall be such person (including a trust) as Executive shall have specified by a written notice delivered to the Company in accordance with Section 8. Executive may change his beneficiary designation at any time by a subsequent written notice delivered in the same manner. If no beneficiary designation under this subsection (g) is in effect at the time of Executive's death, the death benefit, if any, payable under this subsection (g) shall be paid to Executive's estate.

(h) Qualified Plans. Executive shall be entitled during the Employment Period to participate in the Company's tax-

qualified retirement and profit-sharing plans in accordance with the terms of those plans.

(i) Policies and Fringe Benefits. Executive shall be subject to Company policies applicable to its executives generally and shall be entitled to receive all such fringe benefits as the Company shall from time to time make available to other executives generally (subject to the terms of any applicable fringe benefit plan).

4. SUCCESSION. The Company and Executive acknowledge that given the many years Executive has served as Chief Executive Officer of the Company and predecessor companies, it is reasonable to anticipate that at some point in the future, either within the Employment Period (as it may be extended) or at its termination, Executive may wish to give up the responsibilities of Chief Executive Officer to a successor. At that time Executive may wish either to continue as an employee (other than President and Chief Executive Officer) of the Company or to retire fully. If it is determined that Executive will remain as an employee, the compensation and other terms on which he will do so will not be governed by this Agreement but will be determined at that time on a basis that is mutually acceptable to the parties. If, on the other hand, Executive chooses to retire or otherwise voluntarily terminate employment, he will be entitled to the following benefits:

(a) The Company will pay to Executive his then Base Salary for a period of twelve months from the Date of Termination, without reduction for compensation earned from other employment or self-employment.

(b) Until the expiration of the period of Base Salary payments described in (a) immediately above, except to the extent that Executive shall obtain the same from another employer or from self-employment, the Company will provide such medical and hospital insurance, long-term disability insurance and term life insurance for Executive and his family, comparable to the insurance provided for executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for executives generally; provided, however, that in no event shall such benefits or the terms and conditions thereof be less favorable to Executive than those afforded to him as of the date of termination.

(c) The Company will pay Executive the following, without offset for compensation earned from other employment or self-employment:

First, if not already paid, any amounts to which Executive is entitled under MIP for the fiscal year of the Company ended immediately prior to Executive's termination of employment or under LRPIP in respect of the three-year Performance Cycle ended immediately prior his termination of employment.

Second, an amount equal to the award, if any, Executive would have earned under MIP for the year of termination, based on actual performance for the year and prorated for Executive's period of service prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, with respect to the three-year Performance Cycle ending with the fiscal year of termination and the next two Performance Cycles, an amount under LRPIP with respect to each such cycle equal to the product of (i) 1/36 of the award, if any, Executive would have earned for such cycle, based on actual performance, times (ii) the number of

full months in such cycle prior to termination. The amount payable under the preceding sentence for any Performance Cycle will be paid at the same time as other LRPFP awards payable for such cycle.

(e) In addition to the benefits described above, Executive shall be entitled to such amounts as he shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan. Executive shall also be entitled to the benefits described in Sections 3(b) (i) (PARS), 3(b) (ii) (previously granted stock options), 3(c) (Performance-Based Deferred Stock), 3(f) (New Stock Options), 3(g) (SERP), and 3(h) (Qualified Plans), in each case to the extent, if any, provided in the provisions of the relevant plan or award agreement (including the pertinent provisions of this Agreement) relating to voluntary termination of employment, including, if Executive's voluntary termination is for Valid Reason, the accelerated vesting provided in respect of such a termination under Section 3(f) and Exhibit A.

(f) A Constructive Termination as defined in subsection 6(a) below shall not be treated as a retirement or other termination subject to this Section 4.

#### 5. OTHER TERMINATION OF EMPLOYMENT; IN GENERAL.

-7-

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

(b) The Employment Period shall terminate when Executive becomes Disabled. In addition, if by reason of Incapacity Executive is unable to perform his duties for at least six continuous months, upon written notice by the Company to Executive the Employment Period will be terminated for Incapacity.

(c) Whenever the Employment Period shall terminate, including by reason of retirement or other voluntary termination under Section 4 above, Executive shall resign all offices or other positions he shall hold with the Company and any affiliated corporations, including any position on the Board; provided, that if it should be agreed between the Company and Executive that in connection with termination Executive will continue to serve as an employee of the Company in another capacity, he shall retain such offices and positions, if any, as are determined in connection with such agreement to be consistent with his continued employee status.

#### 6. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT.

(a) Certain Terminations Prior to January 31, 1998. If the Employment Period shall have terminated prior to January 31, 1998 by reason of (i) death, Disability or Incapacity of Executive, (ii) termination by the Company for any reason other than Cause or (iii) termination by Executive in the event that either (A) Executive shall be removed from or fail to be reelected to the offices of President, Chief Executive Officer, a Director and a member of any Executive Committee of the Board or (B) Executive is relocated more than 40 miles from the current corporate headquarters of the Company, in either case without his prior written consent (a "Constructive Termination"), then all compensation and benefits for Executive shall be as follows:

(i) For the longer of 24 months after such termination or until January 31, 1998, the Company will pay to Executive or his legal representative continued Base Salary at the rate in effect at termination of employment. Base Salary shall be paid for the first twelve months of the period without reduction for compensation earned from other employment or self-employment, and shall thereafter be reduced by such compensation received by Executive from other employment or self-employment.

(ii) Until the expiration of the period of Base Salary payments described in (i) immediately above, except to the extent that Executive shall obtain the same from another employer or from self-employment, the Company will provide



such medical and hospital insurance, long-term disability insurance and term life insurance for Executive and his family, comparable to the insurance provided for executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for other Company executives generally; provided, however, that in no event shall such benefits or the terms and conditions thereof be less favorable to Executive than those afforded to him as of the date of termination.

(iii) The Company will pay to Executive or his legal representative, without offset for compensation earned from other employment or self-employment, the following amounts under the Company's MIP applicable to Executive:

First, if not already paid, any amounts to which Executive is entitled under MIP for the fiscal year of the Company ended immediately prior to Executive's termination of employment. These amounts will be paid at the same time as other awards for such prior year are paid.

Second, an amount equal to Executive's MIP Target Award for the year of termination, prorated for Executive's period of service during such year prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, an amount equal to Executive's MIP Target Award for the year of termination, without proration. This amount will be paid at the same time as the amount payable under the preceding paragraph.

In addition, the Company will pay to Executive or his legal representative such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan and shall deliver to Executive or his legal representative any shares of Stock which Executive shall have earned but deferred in respect of his Performance-Based Deferred Stock award set forth in Exhibit A.

(iv) Executive or his legal representative shall be entitled to the benefits described in Sections 3(b)(i) (PARS), 3(b)(ii) (previously granted stock options), 3(c) (Performance-Based Deferred Stock), 3(f) (New Stock Options), 3(g) (SERP), and 3(h) (Qualified Plans). In addition, with respect to each three-year Performance Cycle not completed prior to termination, the Company will pay to

Executive or his legal representative 1/36 of his LRPIP Target Award for each full month in such cycle prior to termination. Such amounts will be paid at the same time as other LRPIP awards payable for the cycle first ending after termination are paid. Executive or his legal representative will be entitled to payment (at the same time as other LRPIP awards for the applicable cycle are paid) of any unpaid amounts owing with respect to cycles completed prior to termination.

(v) If termination occurs by reason of Incapacity or Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's long-term disability plan or any successor Company disability plan. Any payments made to Executive under any long term disability plan of the Company with respect to the salary continuation period in clause (i) above shall be offset against such salary continuation payments and to the extent not so offset, Executive shall promptly make reimbursement payments to the Company of such disability payments.

(b) Certain Terminations after January 31, 1998. If the Employment Period shall have terminated after January 31, 1998 by reason of (i) death, Disability or Incapacity of Executive, (ii) termination by the Company for any reason other than Cause or (iii) termination by Executive in respect of a Constructive Termination, then all compensation and benefits for Executive

shall be as follows:

(i) The Company will pay to Executive or his legal representative his then Base Salary for a period of twelve months from the Date of Termination, without reduction for compensation earned from other employment or self-employment.

(ii) Until the expiration of the period of Base Salary payments described in (i) immediately above, except to the extent that Executive shall obtain the same from another employer or from self-employment, the Company will provide such medical and hospital insurance, long-term disability insurance and term life insurance for Executive and his family, comparable to the insurance provided for executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for executives generally; provided, however, that in no event shall such benefits or the terms and conditions thereof be less favorable to Executive than those afforded to him as of the date of termination.

-10-

(iii) The Company will pay to Executive or his legal representative, without offset for compensation earned from other employment or self-employment, the following amounts under the Company's MIP applicable to Executive:

First, if not already paid, any amounts to which Executive is entitled under MIP for the fiscal year of the Company ended immediately prior to Executive's termination of employment. These amounts will be paid at the same time as other awards for such prior year are paid.

Second, an amount equal to Executive's MIP Target Award for the year of termination, prorated for Executive's period of service during such year prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, an amount equal to Executive's MIP Target Award for the year of termination, without proration. This amount will be paid at the same time as the amount payable under the preceding paragraph.

In addition, the Company will pay to Executive or his legal representative such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan and shall deliver to Executive or his legal representative any shares of Stock which Executive shall have earned but deferred in respect of his Performance-Based Deferred Stock award set forth in Exhibit A.

(iv) Executive or his legal representative shall also be entitled to the benefits described in Sections 3(b)(i) (PARS), 3(b)(ii) (previously granted stock options), 3(c) (Performance-Based Deferred Stock), 3(f) (New Stock Options), 3(g) (SERP), and 3(h) (Qualified Plans). In addition, with respect to each three-year Performance Cycle not completed prior to termination, the Company will pay to Executive or his legal representative 1/36 of his LRPIP Target Award for each month in such cycle prior to termination. Such amounts will be paid at the same time as other LRPIP awards payable for the cycle first ending after termination are paid. Executive or his legal representative will also be entitled to payment (at the same time as other LRPIP awards for the applicable cycle are paid) of any unpaid amounts owing with respect to cycles completed prior to termination. Executive or his legal representative will also be entitled to such rights under any PARS, stock option

-11-

and other grants not specifically referred to in Section 3

of this Agreement as shall be provided by the terms of such other PARS, options and other grants.

(v) If termination occurs by reason of Incapacity or Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's long-term disability plan or any successor Company disability plan. Any payments made to Executive under any long term disability plan of the Company with respect to the salary continuation period in clause (i) above shall be offset against such salary continuation payments and to the extent not so offset, Executive shall promptly make reimbursement payments to the Company of such disability payments.

If the Company determines not to extend the Employment Period beyond its original term (January 31, 1998) or any extension thereof, it shall be deemed a termination of the Employment Period by the Company under this subsection (b). If Executive should choose not to continue his employment as Chief Executive Officer of the Company beyond January 31, 1998 or any extension of the Employment Period (unless such termination constitutes a Constructive Termination), it shall be deemed a voluntary termination by Executive and the provisions of Section 4 shall apply.

#### 7. TERMINATION FOR CAUSE; VIOLATION OF CERTAIN AGREEMENTS.

If the Company should end Executive's employment for Cause, or, notwithstanding Section 4 and Section 6 above, if Executive should violate the protected persons or noncompetition provisions of Section 9, all compensation and benefits otherwise payable pursuant to this Agreement shall cease, other than (w) such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan, (x) any shares which Executive has earned but deferred in respect of his Performance-Based Deferred Stock award set forth in Exhibit A, (y) any benefits to which Executive may be entitled under SERP (provided, that if Executive should end his employment voluntarily, such benefits shall be payable only if Executive does not violate the provisions of Section 9), and (z) benefits, if any, to which Executive may be entitled under Sections 3(b)(i) (PARS), 3(b)(ii) (previously granted stock options), 3(f) (New Stock Options), and 3(h) (Qualified Plans). The Company does not waive any rights it may have for damages or for injunctive relief.

8. BENEFITS UPON CHANGE IN CONTROL. Notwithstanding any other provision of this Agreement, in the event of a Change of Control, the determination and payment of any benefits payable

-12-

thereafter with respect to Executive shall be governed exclusively by the provisions of Exhibit E.

#### 9. AGREEMENT NOT TO SOLICIT OR COMPETE.

(a) Upon the termination of employment at any time, then for a period of two years after the termination of the Employment Period, Executive shall not under any circumstances employ, solicit the employment of, or accept unsolicited the services of, any "protected person" or recommend the employment of any "protected person" to any other business organization. A "protected person" shall be a person known by Executive to be employed by the Company or its Subsidiaries or to have been employed by Company or its Subsidiaries within six months prior to the commencement of conversations with such person with respect to employment.

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, (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) are deemed to be separate and independent agreements and in the events of unenforceability of any such agreement, such unenforceable agreement shall be deemed automatically deleted from the provisions hereof and such 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 many trade secrets of the Company and will have

access to confidential information and business plans for the Company. Therefore, if Executive should end his employment voluntarily at any time, including by reason of retirement or disability, or if the Company should end Executive's employment at any time for Cause, then for a period of two years thereafter, Executive will not engage, either as a principal, employee, partner, consultant or investor (other than a less-than-1% stock interest in a corporation), in a business which is a competitor of the Company. A business shall be deemed a competitor of the Company if and only if it shall then be so regarded by retailers generally or if it shall operate a promotional off-price family apparel store (such as T.J. Maxx or Marshalls) within 10 miles of any "then existing T.J. Maxx store" or an off-price women's apparel specialty store (such as Hit or Miss) within five miles of any "then existing Hit or Miss store" or if it shall at the termination of the Employment Period operate a catalog business dealing primarily in off-price women's apparel. The term "then existing" in the previous sentence shall refer to any such store

-13-

that is, at the time of termination of the Employment Period, operated by the Company or any wholly-owned subsidiary of the Company or under lease for operation as aforesaid. Nothing herein shall restrict the right of Executive to engage in a business that operates a conventional or full mark-up department store. Executive agrees that if, at any time, pursuant to action of any court, administrative or governmental body or other arbitral tribunal, the operation of any part of this paragraph shall be determined to be unlawful or otherwise unenforceable, then the coverage of this paragraph shall be deemed to be restricted as to duration, geographical scope or otherwise, to the extent, and only to the extent, necessary to make this paragraph lawful and enforceable in the particular jurisdiction in which such determination is made.

(c) If the Employment Period terminates, Executive agrees (i) to notify the Company immediately upon his securing employment or becoming self-employed during any period when Executive's compensation from the Company shall be subject to reduction or his benefits provided by the Company shall be subject to termination as provided in Section 6 and (ii) to furnish to the Company written evidence of his compensation earned from any such employment or self-employment as the Company shall from time to time request. In addition, upon termination of the Employment Period for any reason other than the death of Executive, Executive shall immediately return all written trade secrets, confidential information and business plans of the Company and shall execute a certificate certifying that he has returned all such items in his possession or under his control.

10. ASSIGNMENT. The rights and obligations of the Company shall enure 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 by devise or descent.

11. 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 Board of Directors, or other such address as the Company may hereafter designate by notice to Executive; and if sent to the Executive, the same shall be mailed to Executive at One Thornton Lane, Concord, Massachusetts 01742 or at such other address as Executive may hereafter designate by notice to the Company.

12. WITHHOLDING. Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to

-14-

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.

13. GOVERNING LAW. This Agreement and the rights and

obligations of the parties hereunder shall be governed by the laws of the Commonwealth of Massachusetts.

14. 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 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 Commercial Arbitration Rules 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.

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.

/s/ Bernard Cammarata  
Executive

THE TJX COMPANIES, INC.

By /s/ Sumner Feldberg  
Chairman of the Board

-15-

#### EXHIBIT A

##### Terms of Performance-Based Deferred Stock ("PBDS")

PBDS are shares of Stock to be delivered in the future upon certification by the Committee that specified predetermined performance goals have been met. The terms of the PBDS award to Executive are set forth below:

A.1. Number of shares. The maximum number of shares of Stock available to be earned is 150,000. All share numbers shown in this Exhibit A, including the 150,000 maximum, are subject to adjustment in accordance with the generally applicable provisions of the 1986 Plan to reflect any stock splits, recapitalizations or similar changes.

A.2. Performance Terms. Shares of PBDS will be transferred to Executive based on certification by the Committee that certain growth in earnings per share from continuing operations (EPS) targets have been met, as follows:

(a) If EPS for any of FYE 1995, 1996, 1997 or 1998 (each, a "performance year") is equal to or less than one hundred ten (110.00%) percent of "test-year EPS" as hereinafter defined, Executive shall not be entitled to receive any shares in respect of the performance year except as hereinafter provided. As used herein when testing performance for any performance year, "test-year EPS" means EPS for the fiscal year for which EPS was highest out of all fiscal years ending on or after January 29, 1994 and before the performance year.

(b) If EPS for any performance year is equal to or greater than one hundred fifteen (115.00%) percent of test-year EPS, Executive shall be entitled to receive 37,500 shares.

(c) If EPS for any performance year is greater than one hundred ten (110.00%) percent, but less than one hundred fifteen (115.00%) percent, of test-year EPS, Executive shall be entitled to receive a number of shares equal to 37,500 multiplied by a fraction, the numerator of which is (i) the ratio of EPS for the performance year to test-year EPS, expressed as a percentage, less (ii) one hundred ten (110.00%) percent, and the denominator of which is five (5.00%) percent.

(d) If as of the end of any performance year, growth in EPS equals or exceeds fifteen (15.00%) percent on a cumulative compound basis, treating EPS for the fiscal year ended January 29, 1994 as the base line, then Executive shall be entitled to receive 37,500 shares for that performance year in lieu of the number determined under (a), (b), or (c) above.

(e) If as of the end of the fiscal year ending January 31, 1998, growth in EPS exceeds ten (10.00%) percent on a cumulative compound basis, treating EPS for the fiscal year ended January 29, 1994 as the base line, then Executive shall be entitled to receive an additional number of shares equal to the product of (i) the excess, if any, of 150,000 shares over the aggregate number of shares which Executive has earned under paragraphs (a) through (d) above, inclusive, times (ii) the applicable percentage determined in accordance with the following table:

EPS Cumulative Compound Growth Rate	Applicable Percentage
> 12.50%	100.0%
12.00%	80.0%
11.50%	60.0%
11.00%	40.0%
10.50%	20.0%
< 10.00%	0.0%

Applicable percentage rates are to be interpolated for rates of cumulative compound EPS growth between those shown on the table.

A.3. Termination of Employment, Etc.. Executive will be entitled to shares of PBDS also in the following circumstances and to the extent determined under this Section A.3.

(a) If prior to the end of any fiscal year in the Employment Period the Company terminates the Employment Period other than for Cause, or Executive terminates the Employment Period for Valid Reason, Executive will be entitled for such year to 37,500 shares multiplied by a fraction, the numerator of which is the number of months in such year prior to termination and the denominator of which is twelve. Shares to which Executive may become entitled under this paragraph shall be in lieu of any shares for the same year determined under Section A.2. above.

(b) If Executive dies, becomes Disabled, or is terminated for Incapacity during any fiscal year in the Employment Period, he (or his beneficiary) will be entitled to a number of shares equal to 75,000 shares per year

A - 2

determined on a cumulative basis beginning with the fiscal year ending January 28, 1995, prorated for the year of reference to reflect the number of months preceding his death, Disability or Incapacity; provided, that in no event shall Executive (or his beneficiary) become entitled to more than 150,000 shares under the award set forth in this Exhibit A.

(c) If, prior to January 31, 1998, a Change of Control occurs while Executive is employed by the Company, Executive shall become immediately entitled to any and all of the 150,000 shares of PBDS awarded hereunder which he had not already earned under the preceding provisions of this Exhibit A. All such shares, together with any previously earned shares that had been deferred by Executive, shall be transferred to Executive immediately prior to the Change in Control.

Except as provided in this Section A.3. or in Section A.2.,

Executive shall not be entitled to any shares pursuant to the award set forth in this Exhibit A.

A.4. Transfer of Shares. As soon as practicable following certification by the Committee of achievement of the performance targets specified in Section A.2. above, or following the occurrence of an event described in Section A.3. above, the Company shall transfer to Executive shares of Stock equal to the number of shares of PBDS earned by Executive in respect of such performance or event; provided, that the shares of Stock to which Executive becomes entitled upon a Change of Control, if any, will be transferred to Executive immediately prior to the Change in Control; and further provided, that in the case of any shares of Stock deferred under Section A.8 below, the Company shall transfer such shares to Executive only upon expiration of the deferral period.

A.5. Forfeiture. Upon termination of Executive's employment under circumstances described in Section 4 (other than termination for Valid Reason) or Section 7 of the Agreement, Executive shall forfeit any and all rights to any shares of PBDS not previously earned under Sections A.2. or A.3. above, unless the Committee determines otherwise.

A.6. Voting. Executive shall be entitled to vote only those shares of PBDS that have actually been transferred to him.

A.7. Dividends. Neither dividends nor amounts in lieu of dividends shall be paid to Executive prior to the time shares of PBDS are actually transferred to him. However, the Company shall accrue a dividend equivalent with respect to all 150,000 shares (the "base shares") which are the subject of this award, taking

A - 3

into account dividends payable with respect to record dates on or after March 29, 1994. The maximum aggregate dividend equivalent so accrued shall not exceed \$438,000 plus the amount of any extraordinary dividends declared during the accrual period. The accrued dividend equivalent with respect to the base shares shall be paid in cash to Executive at the same time, and subject to the same conditions, as the base shares to which they relate; and if Executive under Section A.5. above forfeits the opportunity to earn any base shares he shall likewise be deemed to have forfeited any right to the dividend equivalents accrued with respect to those base shares. If Executive elects to defer any base shares under Section A.8. below, there shall likewise be deferred the dividend equivalents relating to those base shares. No dividend with respect to any base share shall accrue as to any dividend record date occurring on or after the date the share is transferred to Executive under A.4. above.

A.8. Deferral. Subject to such reasonable limitations and restrictions as the Committee may determine in order to comply with Section 162(m) of the Code, and on such other terms as may be mutually acceptable to Executive and the Committee, Executive may, prior to earning any shares described in Section A.2., A.3., or A.7. above, elect irrevocably to defer the receipt of any such shares so earned (and any associated dividend equivalents) for a specified period or until the occurrence of a specified event.

A.9. Table Illustrating Cumulative Compound Growth Rates in EPS. Attached as a Schedule to this Exhibit A is an illustration of 10.00%, 12.50% and 15.00% cumulative compound growth rates in EPS for the period through the end of the fiscal year ended January 31, 1998, based on EPS for the fiscal year ended January 29, 1994 of \$1.616.

Schedule to Exhibit A  
Bernard CammarataCumulative Compound Growth  
over a \$1.616 Base Amount for FYE 1994

FYE	10.00% Compound Growth Rate		12.50% Compound Growth Rate		15.00% Compound Growth Rate	
	Annual EPS	Cumulative EPS	Annual EPS	Cumulative EPS	Annual EPS	Cumulative EPS
1/95	1.778		1.818		1.858	
1/96	1.955	3.733	2.045	3.863	2.137	3.995
1/97	2.151	5.884	2.301	6.164	2.458	6.453
1/98	2.366	8.250	2.589	8.753	2.826	9.279

Note: Interim performance levels over 10.00% will result in interpolation based on the above.

## EXHIBIT B

## Definition of "Earnings Per Share"

(a) Earnings Per Share ("EPS") shall mean post-tax earnings per common share from continuing operations for the applicable fiscal year determined on a fully diluted basis as reported in the Company's annual consolidated financial statements but expressed to three decimal places ("post-tax earnings per share from continuing operations"), adjusted as hereinafter described. The fiscal year ended January 29, 1994 shall be the Base Year for EPS calculations. For the avoidance of doubt, "post-tax earnings per share from continuing operations" for the fiscal year ended January 29, 1994 shall be determined without regard to the cumulative effect of accounting changes under FAS 106 and FAS 109.

(b) If any of the following events occurs after January 29, 1994, then in each fiscal year in which any such event directly affects post-tax earnings per share from continuing operations by more than \$0.01, including the Base Year, a corresponding adjustment shall be made to arrive at EPS for such year. For purposes of the preceding sentence, changes that are integrally related shall be taken into account as a single change. Changes that are not integrally related shall be tested separately to determine whether any of them, individually, directly affects post-tax earnings per share from continuing operations by more than \$0.01. An adjustment in EPS pursuant to this subsection shall not affect the number of shares of PBDS earned for fiscal years ended prior to the year in which the event giving rise to the adjustment occurs (even though EPS for such prior years may be altered by the adjustment) but shall be taken into account in determining the number of shares of PBDS earned in the fiscal year in which the event giving rise to the adjustment occurs and subsequent fiscal years.

Any common stock split or common stock dividend,  
common stock subdivision or reclassification.

Any change in accounting principles or Company  
accounting practices.

Any change in laws (including tax laws and statutory  
rates), regulations or interpretations thereof.

Any extraordinary item, determined under generally  
accepted accounting principles.

Any new item of income or expense resulting from  
previously discontinued operations.

(c) The foregoing adjustments are intended to be objectively determinable and nondiscretionary and as such consistent with qualification of awards as performance-based



under Section 162(m) of the Internal Revenue Code, and shall be construed accordingly. The Committee retains the right to make such other adjustments as it deems necessary to avoid undue hardship or windfall to Executive; provided, that the Committee shall be deemed to have retained such a right only to the extent retention of the right would not be deemed to cause the PBDS award granted under Exhibit A to fail to qualify as an exempt performance-based award under said Section 162(m).

B - 2

EXHIBIT C

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) "Committee" means the Executive Compensation Committee of the Board.

(d) "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 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 the 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 (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" above (in which case Executive shall be reinstated and paid any of his previously unpaid Base Salary for such period), or (C) 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 clauses (B) and (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.

(e) "Change of Control" has the meaning given it in Exhibit D.

(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, Incapacity or Disability.

For purposes of this definition, termination for "good reason" shall mean the voluntary termination by Executive of his employment (A) within 120 days after the occurrence without Executive's express written consent of any one of the events described in clauses (I), (II), (III), (IV), (V) or (VI) below, provided that Executive gives notice to the Company at least 30 days in advance requesting that the pertinent situation described therein be remedied, and the situation remains unremedied upon expiration of such 30-day period; (B) within 120 days after the occurrence without Executive's express written consent of the event described in clause (VII), provided that Executive gives notice to the Company at least 30 days in advance of his intent to terminate his employment in respect of such event; or (C) under the circumstances described in clause (VIII) below, provided that Executive gives notice to the Company at least 30 days in advance:

- (I) the assignment to him of any duties inconsistent with his positions, duties, responsibilities, reporting requirements, 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, other than an insubstantial and inadvertent action which is remedied by the Company promptly after receipt of notice thereof given by Executive; or
- (II) if Executive's rate of Base Salary for any fiscal year is less than 100 percent of the rate of Base Salary paid to Executive in the completed fiscal

C - 2

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 percent 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 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 (d) above; or
- (V) any relocation of Executive of more than 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 percent 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 D); or
- (VIII) The voluntary termination by Executive of his employment (i) at any time within one year after the Change of Control or (ii) at any time during the second year after the Change of Control unless the Company offers Executive an employment contract extending at least to January 30, 1999 but having a minimum two-year duration. Such

C - 3

contract must provide Executive with substantially the same title, responsibilities, annual and long-range compensation, benefits and perquisites that he had immediately prior to the Standstill Period. Notwithstanding the foregoing, the Board may expressly waive the application of this clause (VIII) if it waives the applicability of substantially similar provisions with respect to all persons with whom the Company has a written severance agreement (or may condition its application on any additional requirements or employee agreements which the Board shall in its discretion deem appropriate in the circumstances). The determination of whether to waive or impose conditions on the application of this clause (VIII) shall be within the complete discretion of the Board but shall be made prior to the Change of Control.

(g) "Date of Termination" means the date on which Executive's employment terminates.

(h) "Disability" has the meaning given it in the Company's long-term disability plan. Executive's employment shall be deemed to be terminated for Disability on the date on which Executive is entitled to receive long-term disability compensation pursuant to such long-term disability plan.

(i) "Earnings Per Share" or "EPS" has the meaning given it in Exhibit B.

(j) "Incapacity" means a disability (other than Disability within the meaning of (h) above) or other impairment of health that renders Executive unable to perform his duties to the reasonable satisfaction of the Committee.

(k) "Standstill Period" means the period commencing on the date of a Change of Control and continuing until the close of business on the last business day of the 24th calendar month following such Change of Control.

(l) "Stock" means the common stock, \$1.00 par value, of the Company.

(m) "Subsidiary" means any corporation in which the Company owns, directly or indirectly, 50 percent or more of the total combined voting power of all classes of stock.

(n) "Valid Reason" means the voluntary termination by Executive of his employment (A) within 120 days after the occurrence without Executive's express written consent of any one of the events described in clauses (I), (II), (III),

C - 4

(IV), or (V) below, provided that Executive gives notice to the Company at least 30 days in advance requesting that the pertinent situation described therein be remedied, and the situation remains unremedied upon expiration of such 30-day period; or (B) within 120 days after the occurrence without Executive's express written consent of the event described in clause (VI) below:

- (I) the assignment to him of any duties inconsistent with his positions, duties, responsibilities, reporting requirements, and status with the Company immediately prior to such assignment, or a substantive change in Executive's titles or offices as in effect immediately prior to such assignment, 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 Valid Reason, or any other action by the Company which results in a diminishment in such position, authority, duties or responsibilities, other than an insubstantial and inadvertent action which is remedied by the Company promptly after receipt of notice thereof given by Executive; or
- (II) 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 such failure 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 benefits under any of such plans or deprive Executive of any material fringe benefit enjoyed by Executive immediately prior to such action, unless the elimination or reduction of any such benefit, perquisite or plan affects all other executives in the same organizational level (it being the Company's burden to establish this fact); or
- (III) any purported termination of Executive's employment by the Company for Cause which is not effected in compliance with paragraph (d) above; or
- (IV) any relocation of Executive of more than 40 miles from the place where Executive was located at the time of such relocation; or
- (V) any other breach by the Company of any provision of this Agreement; or

C - 5

- (VI) the Company sells or otherwise disposes of, in one transaction or a series of related transactions, assets or earning power aggregating more than 30 percent 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 D).

EXHIBIT D

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 1(a) of the Current Report on Form 8-K 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 at least 1/4 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 at least 1/4 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), 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 such approval is secured (but upon any such approval, 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 D 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

D - 2

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; provided, however, that "Person" shall not include (a) any individuals who are descendants of Max Feldberg or Morris Feldberg, the founders of the Company, (b) any relatives of the fourth degree of consanguinity or closer of such descendants, or (c) custodians, trustees or legal representatives of such persons.

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 E

Change of Control Benefits

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

(a) The Company shall pay the following to Executive in a lump sum within 30 days following a Change of Control Termination:

(i) 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 the accrued and unpaid portion of his Base Salary through the Date of Termination. Any payments made to Executive under any long term disability plan of the Company with respect to the two years following termination of employment shall be offset against such two times Base Salary payment. Executive shall promptly make reimbursement payments to the Company to the extent any such disability payments are received after the Base Salary payment.

(ii) in lieu of any other benefits under SERP, an amount equal to the present value of the payments that Executive would have been entitled to receive under SERP as a Category B participant, applying the following rules and assumptions:

(A) a credit equal to the number of Years of Service (as that term is defined in SERP) that Executive has been employed by the Company or a predecessor at the Date of Termination shall be added to his Years of Service in determining Executive's total Years of Service; provided, however, that the total Years of Service determined hereunder shall not exceed the lesser of (x) 20 or (y) the Years of Service that Executive would have had if he had retired at the age of 65;

(B) Executive's Average Compensation (as that term is defined in SERP) shall be determined as of the Date of Termination;

(C) Executive's Primary Social Security Benefit (as that term is defined in SERP) shall mean the annual primary insurance amount to which the Executive is entitled or would, upon application therefor, become entitled at age 65 under the provisions of the Federal Social Security Act as in effect on the Date of Termination assuming that Executive received annual income at the rate of his Base Salary from the Date of Termination until his 65th birthdate which would be treated as wages for purposes of the Social Security Act;

(D) the monthly benefit under SERP determined using the foregoing criteria shall be multiplied by 12 to determine an annual benefit; and

(E) the present value of such annual benefit shall be

determined by multiplying the result in (D) by the appropriate actuarial factor, using the most recently published interest and mortality rates published by the Pension Benefit Guaranty Corporation which are effective for plan terminations occurring on the Date of Termination, using Executive's age to the nearest year determined as of that date. If, as of the Date of Termination, the Executive has previously satisfied the eligibility requirements for Early Retirement under The TJX Companies, Inc. Retirement Plan, then the appropriate factor shall be that based on the most recently published "PBGC Actuarial Value of \$1.00 Per Year Deferred to Age 60 and Payable for Life Thereafter -- Healthy Lives," except that if the Executive's age to the nearest year is more than 60, then such higher age shall be substituted for 60. If, as of the Date of Termination, the Executive has not satisfied the eligibility requirements for Early Retirement under The TJX Companies, Inc. Retirement Plan, then the appropriate factor shall be based on the most recently published "PBGC Actuarial Value of \$1.00 Per Year Deferred To Age 65 And Payable For Life Thereafter -- Healthy Lives."

(F) the benefit determined under (E) above shall be reduced by the value of any portion of Executive's SERP benefit already paid or provided to him in cash or through the transfer of an annuity contract.

(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, medical insurance and disability 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, medical or disability 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.

E - 2

(c) For a period of two years after the Date of Termination, the Company shall make available to Executive the use of any automobile that was made available to Executive prior to the Date of Termination, including ordinary replacement thereof in accordance with the Company's automobile policy in effect immediately prior to the Change of Control (or, in lieu of making such automobile available, the Company may at its option pay to Executive the present value of its cost of providing such automobile).

E.2. Incentive Benefits Upon a Change of Control. Within 30 days following a Change of Control, whether or not Executive's employment has terminated or been terminated, the Company shall pay to the Executive the following in a lump sum:

(i) an amount equal to the "Target Award" under the Company's Management Incentive Plan or any other annual incentive plan which is applicable to Executive for the fiscal year in which the Change of Control occurs. In addition the Company will pay to Executive an amount equal to such Target Award prorated for the period of active employment during such fiscal year through the Change of Control; and

(ii) for Performance Cycles not completed prior to the Change of Control, an amount with respect to each such cycle equal to the maximum Award under LRPIP specified for Executive for such cycle, unless Executive shall already have received payment of such amounts. Executive shall also be entitled to payment of any unpaid amounts owing with respect to cycles completed prior to the Change of Control.

E.3. Payments under Section E.1. and Section E.2. of this Exhibit shall be made without regard to whether the deductibility of such payments (or any other payments to or for the benefit of Executive) would be limited or precluded by Internal Revenue Code Section 280G and without regard to whether such payments (or any other payments) would subject Executive to the federal excise tax levied on certain "excess parachute payments" under Internal Revenue Code Section 4999; provided, that if the total of all



payments to or for the benefit of Executive, after reduction for all federal taxes (including the tax described in Internal Revenue Code Section 4999, if applicable) with respect to such payments ("Executive's total after-tax payments"), would be increased by the limitation or elimination of any payment under Section E.1. or Section E.2., amounts payable under Section E.1. and Section E.2. shall be reduced to the extent, and only to the extent, necessary to maximize Executive's total after-tax payments. The determination as to whether and to what extent payments under Section E.1. or Section E.2. are required to be reduced in accordance with the preceding sentence shall be made at the Company's expense by Coopers & Lybrand or by such other certified public accounting firm as the Committee may designate prior to a Change of Control. In the event of any underpayment

E - 3

or overpayment under Section E.1. or Section E.2., as determined by Coopers & Lybrand (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith 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 Internal Revenue Code.

E.4. Other Benefits. In addition to the amounts described in Sections E.1. and E.2., Executive shall be entitled to his benefits, if any, under Sections 3(b)(i) (PARS), 3(b)(ii) (previously granted stock options), 3(c) (Performance-Based Deferred Stock), 3(f) (New Stock Options), and 3(h) (Qualified Plans).

5. 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 E 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 the First National Bank of Boston, until paid in full.

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

E - 4

## AMENDED AND RESTATED EMPLOYMENT AGREEMENT

DATED AS OF FEBRUARY 1, 1995

BETWEEN RICHARD LESSER AND THE TJX COMPANIES, INC.

## INDEX

	PAGE
1. EFFECTIVE DATE; TERM OF AGREEMENT	1
2. SCOPE OF EMPLOYMENT	1
3. COMPENSATION AND BENEFITS	2-3
4. TERMINATION OF EMPLOYMENT; IN GENERAL	3
5. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT	3-7
6. VOLUNTARY TERMINATION; TERMINATION FOR CAUSE; VIOLATION OF CERTAIN AGREEMENTS	7
7. BENEFITS UPON CHANGE OF CONTROL	7
8. AGREEMENT NOT TO SOLICIT OR COMPETE	8-9
9. ASSIGNMENT	9
10. NOTICES	9
11. WITHHOLDING	9
12. GOVERNING LAW	9
13. ARBITRATION	10
14. ENTIRE AGREEMENT	10

## EXHIBITS

EXHIBIT A	Certain Definitions	A-1
EXHIBIT B	Definition of "Change of Control"	B-1
EXHIBIT C	Change of Control Benefits	C-1

-i-

## EMPLOYMENT AGREEMENT

This Amended and Restated Agreement dated as of February 1, 1995 amends and restates the Agreement dated as of February 1, 1992, as amended (the "Prior Agreement"), between RICHARD LESSER ("Executive") and The TJX Companies, Inc., a Delaware corporation, whose principal office is in Framingham, Massachusetts, 01701 ("the Company").

## RECITALS

Executive has for a number of years been employed by the Company or a subsidiary of the Company and has served in a number of capacities with the Company and such subsidiary. The Company and Executive 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 amended and restated agreement ("Agreement") shall become effective as of February 1, 1995 (the "Effective Date"). The employment shall continue on the terms provided herein until January 31, 1999 and thereafter until terminated by either Executive or the Company, subject to earlier termination as provided herein (such period of employment hereinafter called the "Employment Period").

2. SCOPE OF EMPLOYMENT.

(a) Nature of Services. Executive shall diligently perform the duties and assume the responsibilities of Executive Vice President and Chief Operating Officer of the Company and such

additional Executive duties and responsibilities as shall from time to time be assigned to him by the President or the Board.

(b) Extent of Services. Except for illnesses and vacation periods, Executive shall devote substantially all his working time and attention and his best efforts to the performance of his duties and responsibilities under this Agreement. However, Executive may (a) make any passive investments where he is not obligated or required to, and shall not in fact, devote any managerial efforts or (b) serve as a director on the boards of other companies or participate in charitable or community activities or in trade or professional organizations, except only that the President or the Board shall have the right to limit such services as a director or such participation whenever the President or the Board shall believe that the time spent on such activities infringes upon the time required by Executive for the performance of his duties under this Agreement or is otherwise incompatible with those duties.

-1-

### 3. COMPENSATION AND BENEFITS.

(a) Base Salary. Executive shall be paid a base salary at a rate not less than \$635,000 per year, with any subsequent increases to be effective on March 1, 1996, June 1, 1997 and September 1, 1998, respectively. Base Salary shall be payable in such manner and at such times as the Company shall pay base salary to other Executive employees.

(b) LRPIP. During the Employment Period, Executive will be entitled to participate in annual grants made under LRPIP at a level commensurate with his position in the Company. The terms of such awards shall be established by the Committee.

(c) MIP. During the Employment Period, Executive shall be eligible to receive annual awards under MIP. To the extent provided in Section 162(m) of the Code, the goals, scope and conditions of any award shall be established annually by the Committee. Subject to the foregoing, Executive shall be entitled to earn up to 45% of his Base Salary if the target established by the Committee is met and up to 90% of his Base Salary if such target is exceeded, with the payment potential ranging from 0% to 90% of Executive's Base Salary as established by the terms of the award.

(d) New Stock Options. The Committee has determined to grant annually to Executive during the Employment Period non-statutory stock options under the 1986 Plan (the "Options"). Such awards and grants will be subject to the discretion of the Committee. If on or prior to January 31, 1999 Executive dies or becomes Disabled or a Change of Control occurs while Executive is employed by the Company, then all Executive's Options then outstanding shall be immediately vested (exercisable). If Executive dies or becomes Disabled while employed by the Company, all his Options shall remain exercisable for a period of three years, but in no event beyond their original term. Upon the expiration of such three-year term, the Options shall terminate. In the event Executive retires under the terms of the 1986 Plan, all his Options shall remain exercisable (to the extent they were exercisable immediately prior to such retirement) for a period of three years or, if less, the remainder of the original option term, and then shall terminate. Upon any other termination of employment, the Options shall remain exercisable (to the extent they were exercisable immediately prior to such termination, taking into account any applicable accelerated vesting as described above) for a period equal to the lesser of (i) three months, or (ii) the remainder of their original term, and then shall terminate. However, if Executive is terminated for Cause all Options shall immediately terminate.

(e) SERP. Executive is fully vested in his accrued benefit under the Company's Supplemental Executive Retirement Plan ("SERP"). As of July 7, 1994, Executive had 20 years of service credited under SERP.

-2-

(f) Qualified Plans. Executive shall be entitled during the Employment Period to participate in the Company's tax-qualified retirement and profit-sharing plans in accordance with the terms of those plans.

(g) Policies and Fringe Benefits. Executive shall be subject to Company policies applicable to its Executives generally and Executive shall be entitled to receive all such fringe benefits as the Company shall from time to time make available to other Executives generally (subject to the terms of any applicable fringe benefit plan).

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) The Employment Period shall terminate when Executive becomes Disabled. In addition, if by reason of Incapacity Executive is unable to perform his duties for at least six months in any 12-month period, upon written notice by the Company to Executive, the Employment Period will be terminated for Incapacity.

(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.

5. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT.

(a) Termination for Death, Disability or Incapacity or by the Company Other Than for Cause on or Prior to January 31, 1999. If the Employment Period shall have terminated on or prior to January 31, 1999 by reason of death, Disability or Incapacity of Executive or by termination by the Company for any reason other than Cause, all compensation and benefits for Executive shall be as follows:

(i) (A) In the case of termination by reason of death, Disability or Incapacity, for a period of 12 months after such termination, the Company will pay to Executive or his legal representative continued Base Salary at the rate in effect at termination of employment, without reduction for compensation earned from other employment or self-employment.

(B) In the case of termination by the Company for any reason other than Cause, for the longer of 12 months after such termination or until January 31, 1999, the Company will pay to Executive continued Base Salary at the rate in effect at termination of employment. Base Salary shall be paid for the first twelve months of the period without reduction for compensation earned from other employment or self-employment, and shall thereafter

-3-

be reduced by such compensation received from other employment or self-employment.

(ii) Until the expiration of the applicable period of Base Salary payments described in (i) immediately above or until Executive shall commence other employment or self-employment, whichever shall first occur, the Company will provide such medical and hospital insurance, term life insurance and long-term disability insurance to the extent such long-term disability insurance is available at no additional cost under the Company's present group and any individual LTD policies for Executive and his family, comparable to the insurance provided for Executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for other Company Executives generally.

(iii) The Company will pay to Executive, without offset for compensation earned from other employment or self-employment, the following amounts under the Company's MIP applicable to Executive:

First, if not already paid, any amounts to which Executive is entitled under MIP for the fiscal year of the Company ended immediately prior to Executive's termination of employment. These amounts will be paid at the same time as other awards for such prior year are paid.

Second, an amount equal to Executive's MIP Target Award for the year of termination, prorated for Executive's period of service during such year prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, in addition, but only in case of termination by reason of death, Disability or Incapacity, an amount equal to Executive's MIP Target Award for the year of termination, without proration. This amount will be paid at the same time as the amount payable under the preceding paragraph.

In addition, the Company will also pay to Executive or his legal representative such amounts as Executive shall have deferred (but not received) under the Company's General

Deferred Compensation Plan in accordance with the provisions of that Plan.

(iv) Executive shall be entitled to the benefits described in Sections 3(d) (New Stock Options), 3(e) (SERP), and 3(f) (Qualified Plans), in each case to the extent, if any, provided in the provisions of the relevant plan or

-4-

award agreement (including the pertinent provisions of this Agreement). In addition, with respect to each three-year performance cycle not completed prior to termination, the Company will pay to Executive 1/36 of his LRPIP Target Award for each month in such cycle prior to termination. Such amounts will be paid at the same time as other LRPIP awards payable for the cycle first ending after termination are paid. Executive will also be entitled to payment (at the same time as other LRPIP awards for the applicable cycle are paid) of any unpaid amounts owing with respect to cycles completed prior to termination. Executive will also be entitled to such rights, if any, under any stock option and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such options and other grants.

(v) If termination occurs by reason of Incapacity or Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's group and any individual long-term disability plan or any successor Company disability plan. Any payments made to Executive under any long term disability plan of the Company with respect to the salary continuation period in clause (i) above shall be offset against such salary continuation payments and to the extent not so offset, Executive shall promptly make reimbursement payments to the Company of such disability payments.

(b) Termination for Death, Disability or Incapacity or by the Company other than for Cause after January 31, 1999. If the Employment Period shall have terminated after January 31, 1999 by reason of death, Disability or Incapacity of Executive or by termination by the Company for any reason other than Cause, all compensation and benefits for Executive shall be as follows:

(i) The Company will pay to Executive (or his legal representative in the case of death, Disability or Incapacity) his then Base Salary for a period of twelve months from the Date of Termination, which Base Salary shall be reduced after six months for compensation earned from other employment or self-employment.

(ii) The Company will pay to Executive, without offset for compensation earned from other employment or self-employment, the following amounts under the Company's MIP applicable to Executive:

First, if not already paid, any amount to which Executive is entitled under MIP for the fiscal year of the Company ended immediately prior to Executive's termination of employment. These amounts will be paid at the same time as other awards for such prior year are paid.

-5-

Second, an amount equal to Executive's MIP Target Award for the year of termination, prorated for Executive's period of service during such year prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, in addition, but only in the case of termination by reason of death, Disability or Incapacity, an amount equal to Executive's MIP Target Award for the year of termination, without proration. This amount will be paid at the same time as the amount payable under the preceding paragraph.

In addition, the Company will also pay to Executive or his legal representative such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan.

(iii) Until the expiration of the period of Base Salary payments described in (i) immediately above or until Executive shall commence other employment or self-employment, the Company will provide such medical and hospital insurance, term life insurance and long-term disability insurance to the extent such long-term disability

insurance is available at no additional cost under the Company's present group and any individual LTD policies, for Executive and his family, comparable to the insurance provided for Executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for Executives generally.

(iv) Executive shall be entitled to the benefits described in Sections 3(d) (New Stock Options), 3(e) (SERP), and 3(f) (Qualified Plans), in each case to the extent, if any, provided in the provisions of the relevant plan or award agreement (including the pertinent provisions of this Agreement). In addition, with respect to each three-year Performance Cycle not completed prior to termination, the Company will pay to Executive 1/36 of his LRPIP Target Award for each month in such cycle prior to termination. Such amounts will be paid at the same time as other LRPIP awards payable for the cycle first ending after termination are paid. Executive will also be entitled to payment (at the same time as other LRPIP awards for the applicable cycle are paid) of any unpaid amounts owing with respect to cycles completed prior to termination. Executive will also be entitled to such rights under any stock option, if any, and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such options and other grants.

-6-

(v) If termination occurs by reason of Incapacity or Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's group and any individual long-term disability plans or any successor Company disability plan. Any payments made to Executive under any group and any individual long-term disability plan provided by the Company with respect to the salary continuation period in clause (i) above shall be offset against such salary continuation payments and to the extent not so offset, Executive shall promptly make reimbursement payments to the Company of such disability payments.

(c) Employment Period Not Extended. If the Company determines not to extend the Employment Period beyond its original term (January 31, 1999) or any extension thereof, it shall be deemed a termination of the Employment Period by the Company pursuant to (b) above. If Executive should choose not to continue his employment beyond January 31, 1999 or any extension of the Employment Period, it shall be deemed a voluntary termination by Executive and the provisions of Section 6 shall apply.

#### 6. VOLUNTARY TERMINATION; TERMINATION FOR CAUSE; VIOLATION OF CERTAIN AGREEMENTS.

If Executive should end his employment voluntarily or if the Company should end Executive's employment for Cause, or, notwithstanding (a) or (b) of Section 5 above, if Executive should violate the protected persons or noncompetition provisions of Section 8, all compensation and benefits otherwise payable pursuant to this Agreement shall cease, other than (x) such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan and (y) any benefits to which Executive may be entitled under Sections 3(d) (New Stock Options), 3(e) (SERP) and 3(f) (Qualified Plans). Executive will also be entitled to such rights, if any, under stock options and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such other options and other grants. In addition, the Company will pay to Executive such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan. 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 provisions 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.

-7-

#### 8. AGREEMENT NOT TO SOLICIT OR COMPETE.

(a) Upon the termination of employment at any time, then for a period of two years after the termination of the Employment Period, Executive shall not under any circumstances employ,

solicit the employment of, or accept unsolicited the services of, any "protected person" or recommend the employment of any "protected person" to any other business organization. A "protected person" shall be a person known by Executive to be employed by the Company or its Subsidiaries or to have been employed by Company or its Subsidiaries within six months prior to the commencement of conversations with such person with respect to employment.

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, (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) are deemed to be separate and independent agreements and in the event of unenforceability of any such agreement, such unenforceable agreement shall be deemed automatically deleted from the provisions hereof and such 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 many trade secrets of the Company and will have access to confidential information and business plans for the Company. Therefore, if Executive should end his employment voluntarily at any time, including by reason of retirement or disability, or if the Company should end Executive's employment at any time for Cause, then for a period of two years thereafter, Executive will not engage, either as a principal, employee, partner, consultant or investor (other than a less-than-1% equity interest in an entity), in a business which is a competitor of the Company. A business shall be deemed a competitor of the Company if it shall then be so regarded by retailers generally or if it shall operate a promotional off-price family apparel store (such as T.J. Maxx or Marshalls) within ten miles of any "then existing T.J. Maxx store" or an off-price women's apparel specialty store (such as Hit or Miss) within five miles of any "then existing Hit or Miss store" or if it shall at the termination of the Employment Period operate a catalog business dealing primarily in off-price women's apparel. The term "then existing" in the previous sentence shall refer to any such store that is, at the time of termination of the Employment Period, operated by the Company or any wholly-owned subsidiary of the Company or under lease for operation as aforesaid. Nothing herein shall restrict the right of Executive to engage in a business that operates a conventional or full mark-up department store. Executive agrees that if, at any time, pursuant to action of any court, administrative or governmental body or other

-8-

arbitral tribunal, the operation of any part of this paragraph shall be determined to be unlawful or otherwise unenforceable, then the coverage of this paragraph shall be deemed to be restricted as to duration, geographical scope or otherwise, as the case may be, to the extent, and only to the extent, necessary to make this paragraph lawful and enforceable in the particular jurisdiction in which such determination is made.

(c) If the Employment Period terminates, Executive agrees (i) to notify the Company immediately upon his securing employment or becoming self-employed during any period when Executive's compensation from the Company shall be subject to reduction or his benefits provided by the Company shall be subject to termination as provided in Section 5 and (ii) to furnish to the Company written evidence of his compensation earned from any such employment or self-employment as the Company shall from time to time request. In addition, upon termination of the Employment Period for any reason other than the death of Executive, Executive shall immediately return all written trade secrets, confidential information and business plans of the Company and shall execute a certificate certifying that he has returned all such items in his possession or under his control.

9. ASSIGNMENT. The rights and obligations of the Company shall enure 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 by devise or descent.

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 Board of Directors, or such other address as the Company may hereafter designate by notice to Executive; and if sent to Executive, the same shall be mailed to Executive at 358 Cartwright Road, Wellesley, MA 02181 or at such

other address as Executive may hereafter designate by notice to the Company.

11. WITHHOLDING. Anything to the contrary notwithstanding, 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.

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.

-9-

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 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 Commercial Arbitration Rules 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, and judgment upon the award rendered by the arbitrator shall be entered in any Court having jurisdiction thereof upon the application of either party.

14. 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.

/s/ Richard Lesser  
Richard Lesser

THE TJX COMPANIES, INC.

By /s/ Bernard Cammarata  
Bernard Cammarata  
President and  
Chief Executive Officer

-10-  
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) "Committee" means the Executive Compensation Committee of the Board.

(d) "Cause" means dishonesty, conviction of a felony, gross neglect of duties (other than as a result of Disability or death), or conflict of interest which conflict shall continue for 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" above (in which case Executive shall be reinstated and paid any of his previously unpaid Base Salary for such period), or (C) 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 clauses (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.

A-1

(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 by (1) the Company other than for Cause, or (2) by Executive for good reason, or (3) by reason of death, Incapacity or Disability.

For purposes of this definition, termination for "good reason" shall mean the voluntary termination by Executive of his employment (1) within 120 days after the occurrence without Executive's express written consent of any one of the events described in clauses (I), (II), (III), (IV), (V) or (VI) below, provided that Executive gives notice to the Company at least 30 days in advance requesting that the situation described in those clauses be remedied, and the situation remains unremedied upon expiration of such 30-day period; (2) within 120 days after the occurrence without Executive's express written consent of the event described in clauses (VII) or (VIII) below, provided that Executive gives notice to the Company at least 30 days in advance; or (3) upon the occurrence of the events described in clauses (IX) or (X) below, provided that Executive gives notice to the Company at least 30 days in advance:

- (I) the assignment to him of any duties inconsistent with his positions, duties, responsibilities, reporting requirements, and status with the Company immediately prior to the Change of Control, or a substantive change in Executive's titles or offices as in effect immediately prior to a Change of Control, or any removal of Executive from or any failure to re-elect 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, other than an insubstantial and inadvertent action which is remedied by the Company promptly after receipt of notice thereof given by Executive; or
- (II) if Executive's Base Salary for any fiscal year is less than 100 percent of the 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 percent of the total cash compensation opportunities made available to Executive in the completed fiscal year immediately preceding the Change of Control, unless any such reduction represents an overall reduction in the

A-2

Base Salary paid or cash compensation

opportunities made available, as the case may be, to Executives in the same organizational level (it being the Company's burden to establish this fact); 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, unless the elimination or reduction of any such benefit, perquisite or plan affects all other Executives in the same organizational level (it being the Company's burden to establish this fact); 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 (d) above; or
- (V) any relocation of Executive of more than 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 percent 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); or
- (VIII) if Executive is employed by a Subsidiary of the Company, such Subsidiary either ceases to be a Subsidiary of the Company or sells or otherwise disposes of, in one transaction or a series of related transactions, assets or earning power aggregating more than 30 percent of the assets

A-3

(taken at asset value as stated on the books of the Subsidiary determined in accordance with generally accepted accounting principles consistently applied) or earning power of such Subsidiary (on an individual basis) or such Subsidiary and its subsidiaries (on a consolidated basis) to any other Person or Persons (as those terms are defined in Exhibit B); or

- (IX) termination by Executive of his employment for Retirement; or
- (X) the voluntary termination by Executive of his employment (i) at any time within one year after the Change of Control or (ii) at any time during the second year after the Change of Control unless the Company offers Executive an employment contract having a minimum two-year duration which provides Executive with substantially the same title, responsibilities, annual and long-range compensation, benefits and perquisites that he had immediately prior to the Standstill Period. Notwithstanding the foregoing, the Board may expressly waive the application of this clause (X) if it waives the applicability of substantially similar provisions with respect to all persons with whom the Company has a written severance agreement (or may condition its application on any additional requirements or employee agreements which the Board shall in its discretion deem appropriate in the circumstances). The determination of whether to waive or impose conditions on the application of this clause (X) shall be within the complete discretion of the Board, but shall be made prior to the occurrence of a Change of Control.

(g) "Date of Termination" means the date on which Executive's employment is terminated.

(h) "Disability" has the meaning given it in the Company's long-term disability plan. Executive's employment shall be deemed to be terminated for Disability on the date on which Executive is entitled to receive long-term disability compensation pursuant to such long-term disability plan.

(i) "Incapacity" means a disability (other than Disability within the meaning of (h) above) or other impairment of health that renders Executive unable to perform his duties to the satisfaction of the Committee.

(j) "Retirement" shall mean voluntary termination by the Executive of his employment in accordance with the Company's

A-4

retirement plan or program generally applicable to its salaried employees or in accordance with any retirement arrangement established with the Executive's consent with respect to him.

(k) "Standstill Period" means the period commencing on the date of a Change of Control and continuing until the close of business on the last business day of the 24th calendar month following such Change of Control.

(l) "Stock" means the common stock, \$1.00 par value, of the Company.

(m) "Subsidiary" means any corporation in which the Company owns, directly or indirectly, 50 percent or more of the total combined voting power of all classes of stock.

A-5  
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 1(a) of the Current Report on Form 8-K 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 the 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 at least 1/4 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 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 at least 1/4 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 an 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

B-1

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), 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 such approval is secured (but upon any such approval, 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

B-2

(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; provided, however, that the term "Person" shall not include (a) any individuals who are descendants of Max Feldberg and/or Morris Feldberg, the founders of the Company, (b) any relative of the fourth degree of consanguinity or closer of such descendants, or (c) custodians, trustees or legal representatives or such persons.

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).

B-3  
EXHIBIT C

#### Change of Control Benefits

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

(a) The Company shall pay the following to Executive in a lump sum within 30 days following a Change of Control Termination:

(i) 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 (or, if Executive's title was diminished within 180 days before the commencement of the Standstill Period, the rate in effect immediately prior to such change), whichever is highest, plus the accrued and unpaid portion of his Base Salary through the Date of Termination. Any payments made to Executive under any long term disability plan of the Company with respect to the two years following termination of employment shall be offset against such two times Base Salary payment. Executive shall promptly make reimbursement payments to the Company to the extent any such disability payments are received after the Base Salary payment.

(ii) in lieu of any other benefits under SERP, an amount equal to the present value of the payments that Executive would have been entitled to receive under SERP as a Category B participant, applying the following rules and assumptions:

(A) a credit equal to the number of Years of Service (as that term is defined in SERP) that Executive has been employed by the Company or a predecessor at the Date of Termination shall be added to his Years of Service in determining Executive's total Years of Service; provided, however, that the total Years of Service determined hereunder shall not exceed the lesser of (x) 20 or (y) the Years of Service that Executive would have had if he had retired at the age of 65;

(B) Executive's Average Compensation (as that term is defined in SERP) shall be determined as of the Date of Termination;

(C) Executive's Primary Social Security Benefit (as that term is defined in SERP) shall mean the annual primary insurance amount to which Executive is entitled or would, upon application therefor, become entitled at age 65 under the provisions of the Federal Social Security Act as in effect on the Date of Termination assuming that Executive received annual income at the

C-1

rate of his Base Salary from the Date of Termination until his 65th birth date which would be treated as wages for purposes of the Social Security Act;

(D) the monthly benefit under SERP determined using the foregoing criteria shall be multiplied by 12 to determine an annual benefit; and

(E) the present value of such annual benefit shall be determined by multiplying the result in (D) by the appropriate actuarial factor using the most recently published interest and mortality rates published by the Pension Benefit Guaranty Corporation which are effective for plan terminations occurring on the Date of Termination, using Executive's age to the nearest year determined as of that date. If, as of the Date of Termination, the Executive has previously satisfied the eligibility requirements for Early Retirement under The TJX Companies, Inc. Retirement Plan, then the appropriate factor shall be that based on the most recently published "PBGC Actuarial Value of \$1.00 Per Year Deferred to Age 60 And Payable For Life Thereafter -- Healthy Lives," except that if the Executive's age to the nearest year is more than 60, then such higher age shall be substituted for 60. If, as of the Date of Termination, the Executive has not satisfied the eligibility requirements for Early Retirement under The TJX Companies, Inc. Retirement Plan, then the appropriate factor shall be based on the most recently published "PBGC Actuarial Value of \$1.00 Per Year Deferred to Age 65 And Payable For Life Thereafter -- Healthy Lives."

(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, medical insurance and disability plans and programs in which Executive was entitled to participate immediately prior to the Change of Control (or, if Executive's title was diminished within 180 days before the commencement of the Standstill Period, all such plans and programs in which Executive was entitled to participate immediately prior to such change, to the extent that such benefits thereunder are greater), 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, medical or disability coverage or benefits shall be deemed satisfied to

C-2

the extent (but only to the extent) of any such coverage or benefits provided by another employer.

(c) For a period of two years after the Date of Termination, the company shall make available to Executive the use of any automobile that was made available to Executive prior to the Date of Termination, including ordinary replacement thereof in accordance with the Company's automobile policy in effect immediately prior to the Change of Control, or, if Executive's title was

diminished within 180 days before the commencement of a Standstill Period, the Company shall make available to the Executive the use of an automobile of a type that was made available to him immediately prior to such change (or, in lieu of making such automobile available, the Company may at its option pay to Executive the present value of its cost of providing such automobile).

2. Incentive Benefits Upon a Change of Control. Within 30 days following a Change of Control, whether or not Executive's employment has terminated or been terminated, the Company shall pay to the Executive the following in a lump sum:

(i) an amount equal to the "Target Award" under the Company's Management Incentive Plan or any other annual incentive plan which is applicable to Executive for the fiscal year in which the Change of Control occurs (or, if Executive's title was diminished within 180 days before the commencement of the Standstill Period, the "Target Bonus" applicable to Executive for the fiscal year in which such change occurred as if he continued to hold such prior title, if such Target Bonus is higher). In addition the Company will pay to Executive an amount equal to such Target Award prorated for the period of active employment during such fiscal year through the Change of Control; and

(ii) for performance cycles not completed prior to the Change of Control, an amount with respect to each such cycle equal to the maximum Award under LRPIP specified for Executive for such cycle, unless Executive shall already have received payment of such amounts. Executive shall also be entitled to payment of unpaid amounts owing with respect to cycles completed prior to the Change of Control.

3. Payments under Section 1 and Section 2 of this Exhibit shall be made without regard to whether the deductibility of such payments (or any other payments to or for the benefit of Executive) would be limited or precluded by Internal Revenue Code Section 280G and without regard to whether such payments (or any other payments) would subject Executive to the federal excise tax levied on certain "excess parachute payments" under Internal Revenue Code Section 4999; provided, that if the total of all payments to or for the benefit of Executive, after reduction for all federal taxes (including the tax described in Internal Revenue Code Section 4999, if applicable) with respect to such

C-3

payments ("Executive's total after-tax payments"), would be increased by the limitation or elimination of any payment under Section 1 or Section 2, amounts payable under Section 1 and Section 2 above shall be reduced to the extent, and only to the extent, necessary to maximize Executive's total after-tax payments. The determination as to whether and to what extent payments under Section 1 or Section 2 above are required to be reduced in accordance with the preceding sentence shall be made at the Company's expense by Coopers & Lybrand or by such other certified public accounting firm as the Committee may designate prior to a Change of Control. In the event of any underpayment or overpayment under Section 1 or Section 2 above, as determined by Coopers & Lybrand (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith 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 Internal Revenue Code.

4. Other Benefits. In addition to the amounts described in Sections 1 and 2, Executive shall be entitled to his benefits, if any, under Sections 3(d) (New Stock Options) and 3(f) (Qualified Plans). Executive will also be entitled to such rights under any stock options and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such other options and other grants.

5. 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 be neither (x) governed by any duty to mitigate his damages by seeking further employment nor (y) (except as expressly provided in this Exhibit C) offset by any compensation which he may receive from future employment.

(c) Other Severance Payments. Benefits hereunder

shall be in lieu of any benefits to which Executive would otherwise be entitled under any severance pay plan of the Company or its Subsidiaries, and shall be reduced by any severance payments from the Company or its Subsidiaries to which Executive is entitled under applicable federal or state law (for example, under a so-called "tin parachute" or plant closing law).

C-4

(d) 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 base rate of interest as from time to time in effect at The First National Bank of Boston, until paid in full.

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



## AMENDED AND RESTATED EMPLOYMENT AGREEMENT

DATED AS OF FEBRUARY 1, 1995

BETWEEN DONALD G. CAMPBELL AND THE TJX COMPANIES, INC.

## INDEX

	PAGE
1. EFFECTIVE DATE; TERM OF AGREEMENT	1
2. SCOPE OF EMPLOYMENT	1-2
3. COMPENSATION AND BENEFITS	2-3
4. TERMINATION OF EMPLOYMENT; IN GENERAL	3
5. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT	3-8
6. VOLUNTARY TERMINATION; TERMINATION FOR CAUSE; VIOLATION OF CERTAIN AGREEMENTS	8
7. BENEFITS UPON CHANGE OF CONTROL	9
8. AGREEMENT NOT TO SOLICIT OR COMPETE	9-10
9. ASSIGNMENT	10
10. NOTICES	10
11. WITHHOLDING	10-11
12. GOVERNING LAW	11
13. ARBITRATION	11
14. ENTIRE AGREEMENT	11

## EXHIBITS

EXHIBIT A	Certain Definitions	A-1
EXHIBIT B	Definition of "Change of Control"	B-1
EXHIBIT C	Change of Control Benefits	C-1

-i-

## EMPLOYMENT AGREEMENT

This Amended and Restated Agreement dated as of February 1, 1995 amends and restates the Agreement dated as of February 1, 1992, as amended (the "Prior Agreement"), between DONALD G. CAMPBELL ("Executive") and The TJX Companies, Inc., a Delaware corporation, whose principal office is in Framingham, Massachusetts, 01701 (the "Company").

## RECITALS

Executive has for a number of years been employed by the Company, and has served in a number of capacities with the Company. The Company and Executive 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 amended and restated agreement ("Agreement") shall become effective as of February 1, 1995 (the "Effective Date"). The employment shall continue on the terms provided herein until January 31, 1998 and thereafter until terminated by either Executive or the Company, subject to earlier termination as provided herein (such period of employment hereinafter called the "Employment Period").

2. SCOPE OF EMPLOYMENT.

(a) Nature of Services. Executive shall diligently perform the duties and assume the responsibilities of Senior Vice President and Chief Financial Officer of the Company and such additional Executive duties and responsibilities as shall from time to time be assigned to him by the President or the Board.

(b) Extent of Services. Except for illnesses and vacation periods, Executive shall devote substantially all his working time and attention and his best efforts to the performance of his duties and responsibilities under this Agreement. However, Executive may (a) make any passive investments where he is not obligated or required to, and shall not in fact, devote any managerial efforts or (b) serve as a director on the boards of other companies or participate in charitable or community activities or in trade or professional organizations, except only that the President or the Board shall have the right to limit such services as a director or such participation whenever the President or the Board shall believe that the time spent on such activities infringes upon the time required by Executive for the

-1-

performance of his duties under this Agreement or is otherwise incompatible with those duties.

### 3. COMPENSATION AND BENEFITS.

(a) Base Salary. Executive shall be paid a base salary at a rate not less than \$415,000 per year, with any subsequent increases to be effective on December 1, 1995 and March 1, 1997, respectively. Base Salary shall be payable in such manner and at such times as the Company shall pay base salary to other Executive employees.

(b) LRPPIP. During the Employment Period, Executive will be entitled to participate in annual grants made under LRPPIP at a level commensurate with his position in the Company. To the extent provided in Section 162(m) of the Code, the terms of such awards shall be established by the Committee.

(c) MIP. During the Employment Period, Executive shall be eligible to receive annual awards under MIP. To the extent provided in Section 162(m) of the Code, the goals, scope and conditions of any award shall be established annually by the Committee. Subject to the foregoing, Executive shall be entitled to earn up to 35% of his Base Salary if the target established by the Committee is met and up to 70% of his Base Salary if such target is exceeded, with the payment potential ranging from 0% to 70% of Executive's Base Salary as established by the terms of the award.

(d) New Stock Options. The Committee has determined to grant annually to Executive during the Employment Period non-statutory stock options under the 1986 Plan (the "Options"). Such awards and grants will be subject to the discretion of the Committee. If on or prior to January 31, 1998 Executive dies or becomes Disabled or a Change of Control occurs while Executive is employed by the Company, then all Executive's Options then outstanding shall be immediately vested (exercisable). If Executive dies or becomes Disabled while employed by the Company, all his Options shall remain exercisable for a period of three years, but in no event beyond their original term. Upon the expiration of such three-year term, the Options shall terminate. In the event Executive retires under the terms of the 1986 Plan, all his Options shall remain exercisable (to the extent they were exercisable immediately prior to such retirement) for a period of three years or, if less, the remainder of the original option term, and then shall terminate. Upon any other termination of employment, the Options shall remain exercisable (to the extent they were exercisable immediately prior to such termination, taking into account any applicable accelerated vesting as described above) for a period equal to the lesser of (i) three months, or (ii) the remainder of their original term, and then shall terminate. However, if Executive is terminated for Cause all Options shall immediately terminate.

-2-

(e) SERP. Except as provided in Exhibit C ("Change of Control Benefits"), Executive will be entitled to the greater of Category B or C benefits determined and made payable in accordance with the generally applicable provisions of the Company's Supplemental Executive Retirement Plan ("SERP"), including vesting requirements.

(f) Qualified Plans. Executive shall be entitled during the Employment Period to participate in the Company's tax-qualified retirement and profit-sharing plans in accordance with the terms of those plans.

(g) Policies and Fringe Benefits. Executive shall be subject to Company policies applicable to its Executives generally and Executive shall be entitled to receive all such fringe benefits as the Company shall from time to time make available to other Executives generally (subject to the terms of any applicable fringe benefit plan).

#### 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) The Employment Period shall terminate when Executive becomes Disabled. In addition, if by reason of Incapacity Executive is unable to perform his duties for at least six months in any 12-month period, upon written notice by the Company to Executive, the Employment Period will be terminated for Incapacity.

(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.

#### 5. BENEFITS UPON NON-VOLUNTARY TERMINATION OF EMPLOYMENT.

(a) Termination for Death, Disability or Incapacity, Termination by the Company Other Than for Cause or a Termination Described in Section 5(a)(i)(C) on or Prior to January 31, 1998. If the Employment Period shall have terminated on or prior to January 31, 1998 by reason of death, Disability or Incapacity of Executive, by termination by the Company for any reason other than Cause, or a termination described in clause (i)(C) below, all compensation and benefits for Executive shall be as follows:

(i) (A) In the case of termination by reason of death, Disability or Incapacity, for a period of 12 months after such termination, the Company will pay to Executive or his legal representative continued Base Salary at the rate in effect at termination of employment, without reduction for compensation earned from other employment or self-employment.

-3-

(B) In the case of termination by the Company for any reason other than Cause, other than a termination described in paragraph (C) below, for the longer of 12 months after such termination or until January 31, 1998, the Company will pay to Executive continued Base Salary at the rate in effect at the termination of employment. Base Salary shall be paid for the first twelve months of the period without reduction for compensation earned from other employment or self-employment, and shall thereafter be reduced by such compensation received from other employment or self-employment.

(C) In the case of a termination described in this paragraph (C), for the longer of 24 months after such termination or until January 31, 1998, the Company will pay to Executive continued Base Salary at the rate in effect at the termination of employment. Base Salary shall be paid for the first twelve months of the period without reduction for compensation earned from other employment or self-employment, and shall thereafter be reduced by such compensation received from other employment or self-employment. Executive shall be deemed to have suffered a termination of employment described in this paragraph (C) only if, upon or following the appointment of a new Chief Executive Officer of the Company, (1) Executive is terminated by the Company other than for Cause, or (2) Executive terminates his employment with the Company by reason of a change in reporting relationship to the Chief Executive Officer or a change in duties resulting in Executive's ceasing to have the responsibilities and authority of a Chief Financial Officer.

(ii) Until the expiration of the applicable period of Base Salary payments described in (i) immediately above or until Executive shall commence other employment or self-employment, whichever shall first occur, the Company will provide such medical and hospital insurance, term life insurance and long-term disability insurance to the extent such long-term disability insurance is available at no additional cost under the Company's present group and any individual LTD policies for Executive and his family, comparable to the insurance provided for Executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for other Company Executives generally.

(iii) The Company will pay to Executive, without

offset for compensation earned from other employment or self-employment, the following amounts under the Company's MIP applicable to Executive:

First, if not already paid, any amounts to which Executive is entitled under MIP for the fiscal year of the Company ended immediately prior to Executive's

-4-

termination of employment. These amounts will be paid at the same time as other awards for such prior year are paid.

Second, an amount equal to Executive's MIP Target Award for the year of termination, prorated for Executive's period of service during such year prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, in addition, but only in case of termination by reason of death, Disability or Incapacity, an amount equal to Executive's MIP Target Award for the year of termination, without proration. This amount will be paid at the same time as the amount payable under the preceding paragraph.

In addition, the Company will also pay to Executive or his legal representative such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan.

(iv) Executive shall be entitled to the benefits described in Sections 3(d) (New Stock Options), 3(e) (SERP), and 3(f) (Qualified Plans), in each case to the extent, if any, provided in the provisions of the relevant plan or award agreement (including the pertinent provisions of this Agreement). In addition, with respect to each three-year performance cycle not completed prior to termination, the Company will pay to Executive 1/36 of his LRPIP Target Award for each month in such cycle prior to termination. Such amounts will be paid at the same time as other LRPIP awards payable for the cycle first ending after termination are paid. Executive will also be entitled to payment (at the same time as other LRPIP awards for the applicable cycle are paid) of any unpaid amounts owing with respect to cycles completed prior to termination. Executive will also be entitled to such rights, if any, under any stock option and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such options and other grants.

(v) If termination occurs by reason of Incapacity or Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's group and any individual long-term disability plan or any successor Company disability plan. Any payments made to Executive under any long term disability plan of the Company with respect to the salary continuation period in clause (i) above shall be offset against such salary continuation payments and to the extent not so offset, Executive shall promptly make reimbursement payments to the

-5-

Company of such disability payments.

(b) Termination for Death, Disability or Incapacity, Termination by the Company Other Than for Cause or a Termination Described in Section 5(b)(i)(B) After January 31, 1998. If the Employment Period shall have terminated after January 31, 1998 by reason of death, Disability or Incapacity of Executive, by termination by the Company for any reason other than Cause, or a termination described in clause (i)(B) below, all compensation and benefits for Executive shall be as follows:

(i)(A) In the case of termination by reason of death, Disability or Incapacity or termination of Executive by the Company for any reason other than Cause, other than a termination described in paragraph (B) below, the Company will pay to Executive (or his legal representative in the case of death, Disability or Incapacity) his then Base Salary for a period of twelve months from the Date of Termination, which Base Salary shall be reduced after six months for compensation earned from other employment or self-employment.

(i)(B) In the case of a termination after January 31, 1998 described in this paragraph (B), the Company will pay to Executive his then Base Salary for the period commencing with the Date of Termination and ending a)

twenty-four months after the Date of Termination, if termination occurs less than six months after a new Chief Executive Officer is appointed, or b) eighteen months after the Date of Termination, if termination occurs six to twelve months after a new Chief Executive Officer is appointed, or c) twelve months after the Date of Termination, if termination occurs more than twelve months after a new Chief Executive Officer is appointed. Base Salary payments under this paragraph (B) shall be reduced after six months for compensation earned from other employment or self-employment. Executive shall be deemed to have suffered a termination of employment described in this paragraph (B) only if, upon or following the appointment of a new Chief Executive Officer of the Company, (1) Executive is terminated by the Company other than for Cause, or (2) Executive terminates his employment with the Company by reason of a change in reporting relationship to the Chief Executive Officer or a change in his duties resulting in Executive's ceasing to have the responsibilities and authority of a Chief Financial Officer.

(ii) The Company will pay to Executive, without offset for compensation earned from other employment or self-employment, the following amounts under the Company's MIP applicable to Executive:

First, if not already paid, any amount to which Executive is entitled under MIP for the fiscal year of

-6-

the Company ended immediately prior to Executive's termination of employment. These amounts will be paid at the same time as other awards for such prior year are paid.

Second, an amount equal to Executive's MIP Target Award for the year of termination, prorated for Executive's period of service during such year prior to termination. This amount will be paid at the same time as other MIP awards for the year of termination are paid.

Third, in addition, but only in the case of termination by reason of death, Disability or Incapacity, an amount equal to Executive's MIP Target Award for the year of termination, without proration. This amount will be paid at the same time as the amount payable under the preceding paragraph.

In addition, the Company will also pay to Executive or his legal representative such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan.

(iii) Until the expiration of the period of Base Salary payments described in (i) immediately above or until Executive shall commence other employment or self-employment, the Company will provide such medical and hospital insurance, term life insurance and long-term disability insurance to the extent such long-term disability insurance is available at no additional cost under the Company's present group and any individual LTD policies, for Executive and his family, comparable to the insurance provided for Executives generally, as the Company shall determine, and upon the same terms and conditions as the same shall be provided for Executives generally.

(iv) Executive shall be entitled to the benefits described in Sections 3(d) (New Stock Options), 3(e) (SERP), and 3(f) (Qualified Plans), in each case to the extent, if any, provided in the provisions of the relevant plan or award agreement (including the pertinent provisions of this Agreement). In addition, with respect to each three-year Performance Cycle not completed prior to termination, the Company will pay to Executive 1/36 of his LRPIP Target Award for each month in such cycle prior to termination. Such amounts will be paid at the same time as other LRPIP awards payable for the cycle first ending after termination are paid. Executive will also be entitled to payment (at the same time as other LRPIP awards for the applicable cycle are paid) of any unpaid amounts owing with respect to cycles completed prior to termination. Executive will also be entitled to such rights, if any, under any stock option and

-7-

other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such options and other grants.

(v) If termination occurs by reason of Incapacity or

Disability, Executive shall be entitled to such compensation, if any, as is payable pursuant to the Company's group and any individual long-term disability plans or any successor Company disability plan. Any payments made to Executive under any group and any individual long-term disability plan provided by the Company with respect to the salary continuation period in clause (i) above shall be offset against such salary continuation payments and to the extent not so offset, Executive shall promptly make reimbursement payments to the Company of such disability payments.

(c) Employment Period Not Extended. If the Company determines not to extend the Employment Period beyond its original term (January 31, 1998) or any extension thereof, or offers to extend the Employment Period on terms less favorable to Executive than those set forth herein, and Executive declines, it shall be deemed a termination of the Employment Period by the Company pursuant to (b) above. If Executive should choose not to continue his employment beyond January 31, 1998 or any extension of the Employment Period, other than in response to an offer by the Company to extend the Employment Period on terms less favorable to Executive than those set forth herein, it shall be deemed a voluntary termination by Executive and the provisions of Section 6 shall apply.

6. VOLUNTARY TERMINATION; TERMINATION FOR CAUSE; VIOLATION OF CERTAIN AGREEMENTS.

If Executive should end his employment voluntarily (other than in the case of a termination described at Section 5(a)(i)(C) or Section 5(b)(i)(B)) or if the Company should end Executive's employment for Cause, or, notwithstanding (a) or (b) of Section 5 above, if Executive should violate the protected persons or noncompetition provisions of Section 8, all compensation and benefits otherwise payable pursuant to this Agreement shall cease, other than (x) such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan and (y) any benefits to which Executive may be entitled under Sections 3(d) (New Stock Options), 3(e) (SERP) and 3(f) (Qualified Plans). Executive will also be entitled to such rights, if any, under stock options and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such other options and other grants. In addition, the Company will pay to Executive such amounts as Executive shall have deferred (but not received) under the Company's General Deferred Compensation Plan in accordance with the provisions of that Plan. The Company does not waive any rights it may have for damages or for injunctive relief.

-8-

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.

8. AGREEMENT NOT TO SOLICIT OR COMPETE.

(a) Upon the termination of employment at any time, then for a period of two years after the termination of the Employment Period, Executive shall not under any circumstances employ, solicit the employment of, or accept unsolicited the services of, any "protected person" or recommend the employment of any "protected person" to any other business organization. A "protected person" shall be a person known by Executive to be employed by the Company or its Subsidiaries or to have been employed by Company or its Subsidiaries within six months prior to the commencement of conversations with such person with respect to employment.

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, (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) are deemed to be separate and independent agreements and in the event of unenforceability of any such agreement, such unenforceable agreement shall be deemed automatically deleted from the provisions hereof and such 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 many trade secrets of the Company and will have access to confidential information and business plans for the Company. Therefore, if Executive should end his employment

voluntarily at any time, including by reason of retirement or disability, or if the Company should end Executive's employment at any time for Cause, then for a period of two years thereafter, Executive will not engage, either as a principal, employee, partner, consultant or investor (other than a less-than-1% equity interest in an entity), in a business which is a competitor of the Company. A business shall be deemed a competitor of the Company if it shall then be so regarded by retailers generally or if it shall operate a promotional off-price family apparel store (such as T.J. Maxx or Marshalls) within ten miles of any "then existing T.J. Maxx store" or an off-price women's apparel specialty store (such as Hit or Miss) within five miles of any "then existing Hit or Miss store" or if it shall at the termination of the Employment Period operate a catalog business dealing primarily in off-price women's apparel. The term "then

-9-

existing" in the previous sentence shall refer to any such store that is, at the time of termination of the Employment Period, operated by the Company or any wholly-owned subsidiary of the Company or under lease for operation as aforesaid. Nothing herein shall restrict the right of Executive to engage in a business that operates a conventional or full mark-up department store. Executive agrees that if, at any time, pursuant to action of any court, administrative or governmental body or other arbitral tribunal, the operation of any part of this paragraph shall be determined to be unlawful or otherwise unenforceable, then the coverage of this paragraph shall be deemed to be restricted as to duration, geographical scope or otherwise, as the case may be, to the extent, and only to the extent, necessary to make this paragraph lawful and enforceable in the particular jurisdiction in which such determination is made.

(c) If the Employment Period terminates, Executive agrees (i) to notify the Company immediately upon his securing employment or becoming self-employed during any period when Executive's compensation from the Company shall be subject to reduction or his benefits provided by the Company shall be subject to termination as provided in Section 5 and (ii) to furnish to the Company written evidence of his compensation earned from any such employment or self-employment as the Company shall from time to time request. In addition, upon termination of the Employment Period for any reason other than the death of Executive, Executive shall immediately return all written trade secrets, confidential information and business plans of the Company and shall execute a certificate certifying that he has returned all such items in his possession or under his control.

9. ASSIGNMENT. The rights and obligations of the Company shall enure 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 by devise or descent.

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 Board of Directors, or such other address as the Company may hereafter designate by notice to Executive; and if sent to Executive, the same shall be mailed to Executive at P.O. Box 451, Brimfield, Massachusetts, 01010 or at such other address as Executive may hereafter designate by notice to the Company.

11. WITHHOLDING. Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to Executive shall be subject to the withholding of

-10-

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.

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 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 Commercial Arbitration Rules 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, and judgment upon the award rendered by the arbitrator shall be entered in any Court having jurisdiction thereof upon the application of either party.

14. 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.

/s/ Donald G. Campbell  
Donald G. Campbell

THE TJX COMPANIES, INC.

/s/ Bernard Cammarata  
By Bernard Cammarata  
President and  
Chief Executive Officer

-11-  
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) "Committee" means the Executive Compensation Committee of the Board.
- (d) "Cause" means dishonesty, conviction of a felony, gross neglect of duties (other than as a result of Disability or death), or conflict of interest which conflict shall continue for 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" above (in which case Executive shall be reinstated and paid any of his previously unpaid Base Salary for such period), or (C) 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 clauses (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.



(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 by (1) the Company other than for Cause, or (2) by Executive for good reason, or (3) by reason of death, Incapacity or Disability.

For purposes of this definition, termination for "good reason" shall mean the voluntary termination by Executive of his employment (1) within 120 days after the occurrence without Executive's express written consent of any one of the events described in clauses (I), (II), (III), (IV), (V) or (VI) below, provided that Executive gives notice to the Company at least 30 days in advance requesting that the situation described in those clauses be remedied, and the situation remains unremedied upon expiration of such 30-day period; (2) within 120 days after the occurrence without Executive's express written consent of the event described in clauses (VII) or (VIII) below, provided that Executive gives notice to the Company at least 30 days in advance; or (3) upon the occurrence of the events described in clauses (IX) or (X) below, provided that Executive gives notice to the Company at least 30 days in advance:

- (I) the assignment to him of any duties inconsistent with his positions, duties, responsibilities, reporting requirements, and status with the Company immediately prior to the Change of Control, or a substantive change in Executive's titles or offices as in effect immediately prior to a Change of Control, or any removal of Executive from or any failure to re-elect 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, other than an insubstantial and inadvertent action which is remedied by the Company promptly after receipt of notice thereof given by Executive; or
- (II) if Executive's Base Salary for any fiscal year is less than 100 percent of the 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 percent of the total cash compensation opportunities made available to Executive in the completed fiscal year immediately preceding the Change of Control, unless any such reduction represents an overall reduction in the

Base Salary paid or cash compensation opportunities made available, as the case may be, to Executives in the same organizational level (it being the Company's burden to establish this fact); 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, unless the elimination or reduction of any such benefit, perquisite or plan affects all other Executives in the same organizational level (it being the Company's burden to establish this fact); 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 (d) above; or
- (V) any relocation of Executive of more than 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 percent 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); or
- (VIII) if Executive is employed by a Subsidiary of the Company, such Subsidiary either ceases to be a Subsidiary of the Company or sells or otherwise disposes of, in one transaction or a series of related transactions, assets or earning power aggregating more than 30 percent of the assets

A-3

(taken at asset value as stated on the books of the Subsidiary determined in accordance with generally accepted accounting principles consistently applied) or earning power of such Subsidiary (on an individual basis) or such Subsidiary and its subsidiaries (on a consolidated basis) to any other Person or Persons (as those terms are defined in Exhibit B); or

- (IX) termination by Executive of his employment for Retirement; or
- (X) the voluntary termination by Executive of his employment (i) at any time within one year after the Change of Control or (ii) at any time during the second year after the Change of Control unless the Company offers Executive an employment contract having a minimum two-year duration which provides Executive with substantially the same title, responsibilities, annual and long-range compensation, benefits and perquisites that he had immediately prior to the Standstill Period. Notwithstanding the foregoing, the Board may expressly waive the application of this clause (X) if it waives the applicability of substantially similar provisions with respect to all persons with whom the Company has a written severance agreement (or may condition its application on any additional requirements or employee agreements which the Board shall in its discretion deem appropriate in the circumstances). The determination of whether to waive or impose conditions on the application of this clause (X) shall be within the complete discretion of the Board, but shall be made prior to the occurrence of a Change of Control.

(g) "Date of Termination" means the date on which Executive's employment is terminated.

(h) "Disability" has the meaning given it in the Company's long-term disability plan. Executive's employment shall be deemed to be terminated for Disability on the date on which Executive is entitled to receive long-term disability compensation pursuant to such long-term disability plan.

(i) "Incapacity" means a disability (other than Disability within the meaning of (h) above) or other impairment of health that renders Executive unable to perform his duties to the satisfaction of the Committee.

(j) "Retirement" shall mean voluntary termination by the Executive of his employment in accordance with the Company's

A-4

retirement plan or program generally applicable to its salaried employees or in accordance with any retirement arrangement established with the Executive's consent with respect to him.

(k) "Standstill Period" means the period commencing on the date of a Change of Control and continuing until the close of business on the last business day of the 24th calendar month following such Change of Control.

(l) "Stock" means the common stock, \$1.00 par value, of the Company.

(m) "Subsidiary" means any corporation in which the Company owns, directly or indirectly, 50 percent or more of the total combined voting power of all classes of stock.

A-5  
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 1(a) of the Current Report on Form 8-K 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 the 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 at least 1/4 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 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 at least 1/4 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 an 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

B-1

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), 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 such approval is secured (but upon any such approval, 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

B-2

(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; provided, however, that the term "Person" shall not include (a) any individuals who are descendants of Max Feldberg and/or Morris Feldberg, the founders of the Company, (b) any relative of the fourth degree of consanguinity or closer of such descendants, or (c) custodians, trustees or legal representatives or such persons.

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).

B-3  
EXHIBIT C

Change of Control Benefits

1. Benefits Upon a Change of Control Termination.

(a) The Company shall pay the following to Executive in a lump sum within 30 days following a Change of Control Termination:

(i) 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 (or, if Executive's title was diminished within 180 days before the commencement of the Standstill Period, the rate in effect immediately prior to such change), whichever is highest, plus the accrued and unpaid portion of his Base Salary through the Date of Termination. Any payments made to Executive under any long term disability plan of the Company with respect to the two years following termination of employment shall be offset against such two times Base Salary payment. Executive shall promptly make reimbursement payments to the Company to the extent any such disability payments are received after the Base Salary payment.

(ii) in lieu of any other benefits under SERP, an amount equal to the present value of the payments that Executive would have been entitled to receive under SERP as a Category B or C participant, whichever is greater, applying the following rules and assumptions:

(A) a credit equal to the number of Years of Service (as that term is defined in SERP) that Executive has been employed by the Company or a predecessor at the Date of Termination shall be added to his Years of Service in determining Executive's total Years of Service; provided, however, that the total Years of Service determined hereunder shall not exceed the lesser of (x) 20 or (y) the Years of Service that Executive would have had if he had retired at the age of 65;

(B) Executive's Average Compensation (as that term is defined in SERP) shall be determined as of the Date of Termination;

(C) Executive's Primary Social Security Benefit (as that term is defined in SERP) shall mean the annual primary insurance amount to which Executive is entitled or would, upon application therefor, become entitled at age 65 under the provisions of the Federal Social Security Act as in effect on the Date of Termination assuming that Executive received annual income at the

C-1

rate of his Base Salary from the Date of Termination until his 65th birth date which would be treated as wages for purposes of the Social Security Act;

(D) the monthly benefit under SERP determined using the foregoing criteria shall be multiplied by 12 to determine an annual benefit; and

(E) the present value of such annual benefit shall be determined by multiplying the result in (D) by the appropriate actuarial factor using the most recently published interest and mortality rates published by the Pension Benefit Guaranty Corporation and which are effective for plan terminations occurring on the Date of Termination, using Executive's age to the nearest year determined as of that date. If, as of the Date of Termination, the Executive has previously satisfied the eligibility requirements for Early Retirement under The TJX Companies, Inc. Retirement Plan, then the appropriate factor shall be that based on the most recently published "PBGC Actuarial Value of \$1.00 Per Year Deferred to Age 60 And Payable For Life Thereafter -- Healthy Lives," except that if the Executive's age to the nearest year is more than 60, then such higher age shall be substituted for 60. If, as of the Date of Termination, the Executive has not satisfied the eligibility requirements for Early Retirement under The TJX Companies, Inc. Retirement Plan, then the appropriate factor shall be based on the most recently published "PBGC Actuarial Value of \$1.00 Per Year Deferred to Age 65 And Payable For Life Thereafter -- Healthy Lives."

(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, medical insurance and disability plans and programs in which Executive was entitled to participate immediately prior to the Change of Control (or, if Executive's title was diminished within 180 days before the commencement of the Standstill Period, all such plans and programs in which Executive was entitled to participate immediately prior to such change, to the extent that such benefits thereunder are greater), 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, medical or disability coverage or benefits shall be deemed satisfied to

C-2

the extent (but only to the extent) of any such coverage or benefits provided by another employer.

(c) For a period of two years after the Date of Termination, the company shall make available to Executive the use of any automobile that was made available to Executive prior to the Date of Termination, including ordinary replacement thereof in accordance with the Company's automobile policy in effect immediately prior to the Change of Control, or, if Executive's title was diminished within 180 days before the commencement of a Standstill Period, the Company shall make available to the Executive the use of an automobile of a type that was made available to him immediately prior to such change (or, in lieu of making such automobile available, the Company may at its option pay to Executive the present value of its cost of providing such automobile).

2. Incentive Benefits Upon a Change of Control. Within 30 days following a Change of Control, whether or not Executive's employment has terminated or been terminated, the Company shall pay to the Executive the following in a lump sum:

(i) an amount equal to the "Target Award" under the Company's Management Incentive Plan or any other annual incentive plan which is applicable to Executive for the fiscal year in which the Change of Control occurs (or, if Executive's title was diminished within 180 days before the commencement of the Standstill Period, the "Target Bonus" applicable to Executive for the fiscal year in which such change occurred as if he continued to hold such prior title, if such Target Bonus is higher). In addition the Company will pay to Executive an amount equal to such Target Award prorated for the period of active employment during such fiscal year through the Change of Control; and

(ii) for performance cycles not completed prior to the Change of Control, an amount with respect to each such cycle equal to the maximum Award under LRPIP specified for Executive for such cycle, unless Executive shall already have received payment of such amounts. Executive shall also be entitled to payment of unpaid amounts owing with respect to cycles completed prior to the Change of Control.

3. Payments under Section 1 and Section 2 of this Exhibit shall be made without regard to whether the deductibility of such payments (or any other payments to or for the benefit of Executive) would be limited or precluded by Internal Revenue Code Section 280G and without regard to whether such payments (or any other payments) would subject Executive to the federal excise tax levied on certain "excess parachute payments" under Internal Revenue Code Section 4999; provided, that if the total of all payments to or for the benefit of Executive, after reduction for all federal taxes (including the tax described in Internal Revenue Code Section 4999, if applicable) with respect to such

C-3

payments ("Executive's total after-tax payments"), would be increased by the limitation or elimination of any payment under Section 1 or Section 2, amounts payable under Section 1 and Section 2 above shall be reduced to the extent, and only to the extent, necessary to maximize Executive's total after-tax payments. The determination as to whether and to what extent payments under Section 1 or Section 2 above are required to be reduced in accordance with the preceding sentence shall be made at the Company's expense by Coopers & Lybrand or by such other certified public accounting firm as the Committee may designate prior to a Change of Control. In the event of any underpayment or overpayment under Section 1 or Section 2 above, as determined by Coopers & Lybrand (or such other firm as may have been designated in accordance with the preceding sentence), the amount of such underpayment or overpayment shall forthwith 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 Internal Revenue Code.

4. Other Benefits. In addition to the amounts described in Sections 1 and 2, Executive shall be entitled to his benefits, if any, under Sections 3(d) (New Stock Options) and 3(f) (Qualified Plans). Executive will also be entitled to such rights under any stock options and other grants not specifically referred to in Section 3 of this Agreement as shall be provided by the terms of such other options and other grants.

5. 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 be neither (x) governed by any duty to mitigate his damages by seeking further employment nor (y) (except as expressly provided in this Exhibit C) offset by any compensation which he may receive from future employment.

(c) Other Severance Payments. Benefits hereunder shall be in lieu of any benefits to which Executive would otherwise be entitled under any severance pay plan of the Company or its Subsidiaries, and shall be reduced by any severance payments from the Company or its Subsidiaries to which Executive is entitled under applicable federal or state law (for example, under a so-called "tin parachute" or plant closing law).

C-4

(d) 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 base rate of interest as from time to time in effect at The First National Bank of Boston, until paid in full.

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





AGREEMENT

This agreement dated as of this 24th day of January 1995 is entered into by and between The TJX Companies, Inc., a Delaware corporation ("TJX"), and Waban Inc., a Delaware corporation ("Waban").

WHEREAS, Waban has requested TJX to provide certain computer services (the "Computing Services") to Waban during fiscal years ending on the last Saturday of January of each of 1996, 1997 and 1998; and

WHEREAS, TJX has agreed to provide such services.

NOW THEREFORE, in consideration of the promises contained herein, the parties agree as follows:

1. Term. The term of this Agreement shall terminate upon the later of (i) the last day of Fiscal 1998 (January 31, 1998) (the "initial term") or (ii) if the parties agree to an extension hereof as provided below (the "Extension Period"), the last day of such Extension Period. Neither party shall have the right to terminate this Agreement during the initial term.

If Waban wishes to extend the term of this Agreement for an additional one year term, Waban shall so notify TJX in writing of its planned computer usage requirements for such additional one year term no later than July 1 of the year which is one year prior to the year in which this Agreement (whether or not extended) would otherwise terminate. If TJX agrees to such an extension, TJX shall, no later than 60 days after receipt of Waban's notification, notify Waban in writing of TJX's estimated rates for such additional one year term and Waban shall have 30 days to indicate its acceptance of such rates.

1

Additional one year extensions may be requested in the succeeding year(s) and agreed to in the same manner as provided in this Section 1.

If TJX declines to provide Computing Services during the Extension Period, or if Waban chooses not to accept TJX's offer for the Extension Period, Waban shall have 30 days after the date on which TJX declines to provide such services or notifies Waban of TJX's estimated rates to elect an extension of services for an additional period of four months beyond the termination of the then current term (the "Tail") by providing TJX with its planned requirements for the Tail. TJX shall be obligated to provide Computing Services during the Tail at the same rates that were in effect for the one year period prior to the beginning of the Tail.

2. Usage Requirements. Attached hereto as Attachment I are Waban's computer usage requirements for fiscal 1996 and estimates of its usage requirements for fiscal 1997 and fiscal 1998. Such

requirements are hereinafter sometimes referred to collectively as the "planned amounts" or the "planned requirements." By July 1 of each year of the term beginning July 1, 1995, Waban shall deliver to TJX a computer usage plan for its requirements for Computing Services through the end of the following fiscal year, and an estimate of its requirements for the fiscal year following such fiscal year. (For example, on or before July 1, 1995, Waban shall deliver its requirements for fiscal 1997 and an estimate of its requirements for fiscal 1998.) It is understood that Waban's computer usage requirements for fiscal 1997 and fiscal 1998 may not be less than 90% of its estimates for each such year included in Attachment I and may

2

not exceed 200% of its estimates for each such year unless TJX agrees to provide services at such increased level. Waban's computer usage plan will be sufficiently detailed to allow TJX to provide its rates for Computing Services for the next following fiscal year and Waban's estimate for requirements during the additional fiscal year will be sufficiently detailed to allow TJX to provide an estimate of its rates for Computing Services for such additional fiscal year and to estimate its hardware needs for such additional fiscal year.

As soon as practicable, but no later than September 1 of each year (provided TJX has received such planned requirements by July 1), TJX will notify Waban in writing of the rates for Computing Services during the next following fiscal year and an estimate of the rates TJX expects during such additional fiscal year. It is understood that the estimate of rates for the additional fiscal year is a good faith estimate only and that definitive initial rates for such period will be established following July 1 of the following year in accordance with the procedures set forth above.

3. Calculation of Rates. Waban's planned requirements (as well as the planned requirements for all users of TJX's computing services) for each fiscal year shall be the basis upon which TJX will set Waban's rates for such fiscal year. Attached hereto in Attachment II are the rates for Computing Services for fiscal 1996 and estimated rates (based on preliminary estimates of usage for all users of TJX's Computing Services) for fiscal 1997 and fiscal 1998. Waban acknowledges that TJX's Chadwick's of Boston division shall receive a discount on its rates of 30% on computing services in Fiscal 1996; a discount of 20% in Fiscal 1997; and a discount of 10% in Fiscal 1998.

3

The charges for any fiscal year shall be subject to adjustment as provided in Section 4. If during any fiscal year, TJX realizes that its actual costs are significantly different from its estimates thereof then in effect for purposes of calculating rates hereunder,

then TJX shall provide Waban with a new estimate of rates for such fiscal year and shall either (i) invoice Waban for Computing Services theretofore provided based on the revised estimates for sums in excess of sums already paid since the beginning of such fiscal year (in the event of increased rates estimates) or (ii) give Waban an appropriate credit (in the event that the revised rates are lower). In any event, subsequent rates shall be based upon such revised estimates.

Notwithstanding the foregoing provisions of this paragraph, in the event that (i) TJX's businesses exceed 110% of their planned requirements for any such fiscal year and as a result thereof TJX added to its data processing system hardware or system software and (ii) Waban did not exceed 120% of its planned requirements for such fiscal year (or, if there was an excess, such excess did not pertain to the usage of such hardware or system software), then Waban shall not be charged additional fees with respect to such fiscal year for any costs with respect to such additional hardware or system software.

TJX agrees that Waban's rates for each fiscal year shall be based on usage of Computing Services equal to 100% of the planned requirements in Waban's computer usage plan for each fiscal quarter of each fiscal year. If Waban's computer usage plan does not provide requirements by fiscal quarter, then fiscal year planned requirements will be divided equally to arrive at fiscal quarter requirements. If Waban's actual usage requirements exceed 120% of its planned

4

requirements for a fiscal quarter and the requirements of TJX's businesses do not exceed 110% of TJX's planned requirements for such fiscal quarter (or any such excess usage does not pertain to hardware or system software used by Waban), then TJX will be entitled to increase amounts billed to Waban to recover its additional costs resulting from Waban's excess usage.

In the event that Waban's actual usage for any fiscal quarter is less than 80% of its planned requirements, Waban shall pay to TJX an amount based on the rate for 80% of such planned requirements.

TJX shall use reasonable efforts to satisfy requirements in excess of 120% of Waban's planned requirements consistent with TJX's responsibilities to meet the computer services needs of the TJX divisions.

TJX agrees that it will not change the basic methodology used to determine rates during a fiscal year except in connection with new Computing Services arising during such fiscal year that were not included by Waban in its computer usage plan submitted by Waban to TJX for such fiscal year. TJX may, however, change such methodology with respect to a following fiscal year at the time it presents Waban with its estimate of rates (i.e., on September 1 preceding such following fiscal year), and TJX shall inform Waban of the change at the time.

Without limiting the generality of the next preceding sentence, if during any fiscal year TJX adds to or upgrades its data processing system hardware or systems software based on the needs of TJX's businesses, then the methodology used to determine rates for the following fiscal year shall be appropriately adjusted to include changes in Waban's rate reflecting usage of such hardware or software.

5

During the initial term, TJX will discount the rates charged Waban for CPU, Print, Microfiche, Data Entry and Payroll Processing by 15%. During the initial term TJX will discount the Host Connect rate by 75% for all remote connections supported directly by Waban employees. In addition, at the end of each fiscal year during the initial term, TJX shall credit Waban with the amount of \$333,334 on the invoice applicable to the last month of the fiscal year.

4. Reconciliation. Within thirty days after the end of each fiscal year, TJX shall reconcile the actual costs pertaining to the provision of the Computing Services for such fiscal year and determine the pro rata amount paid by each user. If the reconciliation shows that the actual costs exceeded the rates charged and paid during such fiscal year, Waban shall within 30 days of TJX's invoice therefor pay to TJX Waban's pro rata share of the difference. If the reconciliation shows that the actual costs were less than the rates charged and paid, TJX shall pay Waban Waban's pro rata share of the difference within 30 days after the completion of the reconciliation.

5. Software Licenses. TJX shall promptly notify Waban upon its receipt of any notice that a third party intends to increase its software license fees as a result of the provision by TJX of the Computing Services. In such event, TJX shall appoint Waban as its agent to negotiate the amount of such increase and shall cooperate with Waban to ensure that all additional license rights (other than those already held by TJX, which shall not be affected) are in the name of, or freely assignable (without the payment of additional consideration) to, Waban. If TJX is required to incur additional software license fees then such fees shall be charged to Waban (it

6

being understood that such fees are not included in the rates appearing on Schedule II hereto and will not be included in the subsequent rates determined pursuant to Section 3 hereof).

6. Performance Levels. The performance levels for the Computing Services provided to Waban shall be no less than those specified on Attachment III. Notwithstanding the foregoing, TJX shall not be required to maintain the performance levels for Computing Services to the extent that it is unable to maintain them for itself and its operating units for reasons beyond its control. In the event that TJX is unable to meet the performance levels for Computing

Services for reasons beyond its control, TJX shall provide Waban the same levels and quality of Computing Services that it provides to itself and its operating units and shall use its best efforts to alleviate any condition causing a diminution in such performance levels. TJX acknowledges that TJX has in place a disaster recovery contract pursuant to which mainframe production services will be available at a secondary site within 24 hours of declaration of a disaster.

7. Invoices; Audit Rights. TJX shall render to Waban each month, within 30 days after the end of the month or as soon as practicable thereafter, an invoice for the charges for Computing Services incurred during the previous month showing usage by billing category. Such invoice shall be payable within thirty days of its receipt by Waban.

Waban shall be entitled, upon request and at reasonable times and places, to audit the books and records of TJX that relate to (i) the Computing Services and (ii) the charges appearing on any invoice. In

7

addition, Waban shall be entitled to similar audit rights with respect to the methodology used by TJX to determine the rates established pursuant to Section 3 hereof.

8. Ownership of Waban Data, etc. Waban shall be the owner of all of its data. TJX shall maintain such data in confidence pursuant to Section 10 hereof and make no use of such Waban data or allow anyone other than Waban access to it except for TJX personnel (including agents) who require access thereto in order to perform the obligations to Waban under this Agreement.

9. Delivery of Software. Upon Waban's request, TJX shall deliver to Waban within a reasonable period after such request the following items with respect to all applications, utility routines, utility programs and/or systems software developed by TJX and used in connection with the Computing Services provided hereunder to Waban in which no third party has any rights:

- (a) One copy of object code or other executable code on magnetic media.
- (b) One copy of source code on magnetic media.
- (c) One copy of any documentation, including source documentation, maintenance documentation and other documentation, for such software to the extent then available.

Waban shall pay TJX for its reasonable additional costs relating to such delivery of software.

10. Confidentiality of Information. TJX will not reveal to third parties or use for its own purposes the information of Waban stored within its computer system or accessible within its

communications network and will use the same security precautions as it uses to prevent disclosure to third parties of TJX proprietary information to prevent disclosure to third parties of Waban information stored in its computer system or accessible over its corporate communications network. After the termination of this Agreement, TJX will return to Waban or, at Waban's written direction, destroy and certify destruction of all tapes and other media or records containing any Waban data. The provisions of this Section 10 shall survive the termination of the Agreement.

11. Coordinating Committee. For the purpose of providing and continuing the harmonious relationship between TJX and Waban, each party shall appoint at least one individual to coordinate and review the relationship between the two companies and their performance under this Agreement, as well as strategic planning and technology changes. These individuals shall meet periodically, no less frequently than monthly, to discuss operations under this Agreement and any problems arising hereunder.

12. Independent Contractor Status. TJX shall perform services under this Agreement as an independent contractor and not as an agent of Waban or any other relationship.

13. Limitation of Liability. Neither TJX, nor any of its officers, employees, agents or affiliates, shall in any event be liable for the defense of claims, actions, causes of action, losses, expenses or for any damages including reasonable attorneys' fees, which are caused by, arise out of or result from TJX's (or any such officers', employees', agents' or affiliates') performance or failure to perform any of its obligations under this Agreement, other than

those claims, actions, causes of action, losses, expenses and damages caused by or arising out of or resulting from TJX's willful misconduct or gross negligence. Waban hereby agrees to defend, indemnify, and hold harmless TJX for all damages, losses and expenses, including reasonable attorneys' fees, incurred by TJX as a result of the provision by TJX pursuant to this Agreement of the Computing Services, other than costs or damages incurred by TJX as a result of its willful misconduct or gross negligence. TJX hereby agrees to defend, indemnify and hold Waban harmless for all damages, losses and expenses, including reasonable attorneys' fees, incurred by Waban as a result of TJX's willful misconduct or gross negligence in providing Computing Services to Waban pursuant to this Agreement. Notwithstanding the foregoing, neither party shall be liable to the other for indirect or consequential damages, including without limitation, loss of profits or revenues.

Waban acknowledges that because this Agreement cannot be terminated during the initial term, Waban agrees that in any circumstance in which Waban terminates receiving services under the Agreement (other than as a result of TJX's material default) Waban shall continue to pay all charges otherwise due hereunder, as if there had been no termination, and, that for purposes of computing charges, Waban's usage will be deemed to be not less than 90% of its estimates for fiscal 1997 and fiscal 1998 and 100% of its requirements for fiscal 1996, all as set forth in Attachment I hereto.

14. Assignment. This Agreement shall not be assignable, directly or indirectly, by either party without the prior written consent of the other party. Notwithstanding the foregoing, this

10

Agreement may be assigned by either party to a corporate affiliate or to a related party that would result from either party entering into any agreement which provides for the acquisition of all of its assets or the merger of all of its assets with those of a third party, provided that, with respect to any such assignment, the assigning party remains fully liable for the performance of all of its obligations under this Agreement.

15. Notices. Any notice or other communication in connection with this Agreement shall be deemed to be delivered if in writing (or in the form of a telecopy) addressed or transmitted as provided below and if either (i) actually delivered at such address, (ii) in the case of a letter, three business days shall have elapsed after the same shall have been deposited in the United States mail, postage prepaid and registered or certified, or (iii) if in the form of a telecopy, when the receiving party gives telephonic notice of complete and legible receipt to:

Waban at: One Mercer Road  
Natick, MA 01760  
Telecopy Number: (508) 651-6623  
Attention: Chief Financial Officer

TJX at: 770 Cochituate Road  
Framingham, MA 01701  
Telecopy Number: (508) 390-2199  
Attention: Chief Financial Officer

16. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the Commonwealth of Massachusetts without giving effect to any choice or

11

conflict of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

17. Amendments. This Agreement may not be modified or amended except by an agreement in writing signed by the parties.

18. Entire Agreement. This Agreement represents the entire agreement between the parties hereby and supersedes all prior negotiations, representations or agreements either written or oral including, but not limited to, letters of intent and correspondence between the parties.

19. Titles and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be part of or to affect the meaning of interpretation of this Agreement.

20. Exhibits and Schedules. The Attachments shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

IN WITNESS WHEREOF, TJX and Waban have caused this Agreement to be duly executed by their respective officers, each of whom is fully authorized, all as of the day and year first above written.

The TJX Companies, Inc.

By: /s/ Donald G. Campbell  
Senior Vice President - Finance  
and Chief Financial Officer

Waban Inc.

By: /s/ Herbert J. Zarkin  
President and Chief  
Executive Officer

12

ATTACHMENT I

WABAN INC.

FYE 1996 COMPUTER USAGE REQUIREMENTS AND ESTIMATES FOR  
FYE 1997 AND FYE 1998 REQUIREMENTS

CPU HOURS	FY '96	FY '97	FY '98
Total CPU	8,243	10,139	12,167
Print Lines (000's)			
Total Print (000's lines)	2,470	3,088	3,705
Other			
Payroll Checks (000's)	538	646*	762*
Microfiche (000's)	215	258*	310*
Data Entry (000's)	1,352	1,622*	1,947*
Host Connections - H.O.	6,144	6,267	6,392
Host Connections - Clubs	5,070	6,350	7,627

\* For the purposes of Section 2 of the Agreement, the following is the expected low end range of volume for the following categories:



	FY '97	FY '98
Payroll Checks (000's)	572	0
Microfiche (000's)	133	0
Data Entry (000's)	1,174	720

ATTACHMENT II

COMPUTER SERVICES and RATES:

The computer services listed below will be provided to Waban by TJX during fiscal year 1996 at the rates indicated in the FY'96 column below and subject to the terms and conditions of the Agreement. The estimated rates for fiscal years 1997 and 1998 are informational only. The rates for fiscal years 1997 and 1998 will be set in accordance with the terms of the Agreement.

	ESTIMATED ESTIMATED		
	RATE FY '96	RATE FY '97	RATE FY '98
1. Computer Processing			
a. Per CPU Hour (3090-400E)	\$ 455.00	\$ 425.00	\$ 400.00
Per CPU Hour (3090-600S)	548.00	512.00	482.00
Per CPU Hour (3090-600J)	595.00	556.00	523.00
Per CPU Hour (9000-820)	1321.00	1234.00	1161.00
b. Per Thousand 1-up PRINT Lines	.44	.43	.43
Per Thousand 2-up PRINT Lines	.26	.26	.26
Per Thousand Remote PRINT Lines	.02	.02	.02
c. Per MicroFiche	.43	.43	.43
d. Per Data Entry record	.041	.041	.041
Per D/E Floppy File	9.80	9.80	9.80
e. Per Payroll Check	.35	.36	.36

NOTE: Should a Central Processing Unit (CPU) other than one of those listed above be used to process the Waban workload, the rate per hour will be determined based on the proportional speed of the unlisted CPU.

2. Computer Services			
a. Per Monthly Host Connect Unit-H.O.	\$ 48.00	\$ 48.00	\$ 48.00
b. Per Monthly Host Connect Unit-Club	24.00	24.00	24.00
c. Per Monthly Unplanned Disk Device	400.00	400.00	400.00
3. Computer Rate Discounts			
a. Discount on Computer Processing Rates (1a thru 1e)	15.0%	15.0%	15.0%
b. Discount on Host Connect Rate (2a&b)	75.0%	75.0%	75.0%
(Waban will handle all communication cabling and equipment support within each Waban building).			
4. Other Available Services/Charges			
Remote Comm. Usage Rate:	\$0.25 per Thousand records transmitted (line charges will be paid by Waban)		
Payroll Prog. Support:	\$50.00 per billable hour (for all hours which exceed the Waban annual allocation)		
Unplanned Projects:	Support provided based on time & materials cost		

ATTACHMENT III

PERFORMANCE LEVELS FOR COMPUTING SERVICES

SERVICE LEVEL ITEM	PERFORMANCE GOAL *
Hardware/Software Availability	99.5 percent
On-Line Application Availability	98.0 percent
TSO System Availability	99.5 percent
Report Delivery On Schedule	98.0 percent

RESPONSE TIME TARGETS:

IMS (95th Percentile)	4.0 seconds
CICS (95th Percentile)	4.0 seconds
TSO (95th Percentile)	3.0 seconds

\* -These performance goals (which will be calculated on a monthly basis) assume Waban's conformance with TJX's operating standards.

THE TJX COMPANIES, INC.  
 DETAILED COMPUTATIONS OF NET INCOME (LOSS) PER COMMON SHARE  
 PRIMARY AND FULLY DILUTED  
 (\$000's)

	January 28, 1995	January 29, 1994	Fiscal Year Ended January 30, 1993	January 25, 1992	January 26, 1991
The computation of net income (loss) available and adjusted shares outstanding follows:					
Net income (loss)	\$82,619	\$124,379	\$102,846	\$20,114	\$74,128
Add (where dilutive):					
Tax effected interest and amortization of debt expense on convertible debt	-	-	3,069	-	3,316
Less:					
Preferred stock dividends	(7,156)	(7,156)	(3,939)	-	-
Net income (loss) used for primary and fully diluted earnings per share computation	\$75,463	\$117,223	\$101,976	\$20,114	\$77,444
Weighted average number of common shares outstanding	73,150,681	73,458,973	70,234,156	69,801,734	69,777,794
Add:					
Actual and assumed exercise of those options that are common stock equivalents, net of treasury shares deemed to have been repurchased	316,322	733,385	659,896	249,101	7,889
Assumed exercise of convertible subordinated debentures for the period outstanding	-	-	2,979,224	-	3,138,605
Weighted average number of common and common equivalent shares outstanding, used for primary and fully diluted earnings per share calculation	73,467,003	74,192,358	73,873,276	70,050,835	72,924,288

Consolidated Statements of Income		The TJX Companies, Inc.		
Fiscal Year Ended	January 28, 1995	January 29, 1994	January 30, 1993 (53 Weeks)	
	Dollars in Thousands Except Per Share Amounts			
Net sales	\$3,842,818	\$3,626,604	\$3,261,240	
Cost of sales, including buying and occupancy costs	2,927,112	2,722,826	2,467,935	
Selling, general and administrative expenses	748,003	674,055	593,889	
Interest on debt and capital leases	25,893	19,041	26,298	
Income before income taxes, extraordinary item and cumulative effect of accounting changes	141,810	210,682	173,118	
Provision for income taxes	59,191	83,636	69,074	
Income before extraordinary item and cumulative effect of accounting changes	82,619	127,046	104,044	
Extraordinary (loss), net of income taxes	-	-	(1,198)	
Cumulative effect of accounting changes, net of income taxes	-	(2,667)	-	
Net income	82,619	124,379	102,846	
Preferred stock dividends	(7,156)	(7,156)	(3,939)	
Net income available to common shareholders	\$ 75,463	\$ 117,223	\$ 98,907	
Number of common shares for primary and fully diluted earnings per share computations	73,467,003	74,192,358	73,873,276	
Primary and fully diluted earnings per common share:				
Income before extraordinary item and cumulative effect of accounting changes	\$1.03	\$1.62	\$1.40	
Extraordinary (loss)	-	-	(.02)	
Cumulative effect of accounting changes	-	(.04)	-	
Net income	\$1.03	\$1.58	\$1.38	
Cash dividends per common share	\$ .56	\$ .50	\$ .46	

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

1

Consolidated Balance Sheets		The TJX Companies, Inc.	
	January 28, 1995	January 29, 1994	
	In Thousands		
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 41,569	\$ 58,102	
Accounts receivable	43,440	30,639	
Merchandise inventories	937,729	772,324	
Prepaid expenses	23,459	20,791	
Total current assets	1,046,197	881,856	
Property at cost:			
Land and buildings	114,736	110,793	
Leasehold costs and improvements	302,844	256,929	
Furniture, fixtures and equipment	447,840	398,106	
	865,420	765,828	
Less accumulated depreciation and amortization	377,595	326,685	
	487,825	439,143	
Other assets	14,319	13,744	
Goodwill, net of amortization	89,877	92,627	
Total Assets	\$1,638,218	\$1,427,370	
<b>Liabilities</b>			
Current liabilities:			

Short-term debt	\$ 20,000	\$ -
Current installments of long-term debt	31,306	5,936
Accounts payable	439,277	340,578
Accrued expenses and other current liabilities	267,682	245,139
Total current liabilities	758,265	591,653
Long-term debt, exclusive of current installments	239,478	210,854
Deferred income taxes	33,523	33,963
Shareholders' Equity		
Preferred stock at face value, authorized 5,000,000 shares, par value \$1, issued and outstanding cumulative convertible stock of:		
250,000 shares of 8% Series A	25,000	25,000
1,650,000 shares of 6.25% Series C	82,500	82,500
Common stock, authorized 150,000,000 shares, par value \$1, issued and outstanding 72,401,254 and 73,430,615 shares	72,401	73,431
Additional paid-in capital	267,937	284,744
Retained earnings	159,114	125,225
Total shareholders' equity	606,952	590,900
Total Liabilities and Shareholders' Equity	\$1,638,218	\$1,427,370

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

2

Consolidated Statements of Shareholders' Equity                      The TJX Companies, Inc.

	Preferred Stock, Face Value	Common Stock, Par Value \$1	Additional Paid-in Capital In Thousands	Retained Earnings (Deficit)	Total
Balance, January 25, 1992 \$	-	\$69,803	\$228,856	\$(38,142)	\$260,517
Net income	-	-	-	102,846	102,846
Cash dividends:					
Preferred stock	-	-	-	(3,939)	(3,939)
Common stock	-	-	(16,070)	(16,103)	(32,173)
Sale and issuance of cumulative convertible preferred stock:					
Series A	25,000	-	(850)	-	24,150
Series C	82,500	-	(2,221)	-	80,279
Sale and issuance of common stock, net of shares repurchased, under stock incentive plans	-	310	3,157	-	3,467
Conversion of 7 1/4% convertible subordinated debentures, net	-	3,109	65,474	-	68,583
Other	-	-	1,454	-	1,454
Balance, January 30, 1993	107,500	73,222	279,800	44,662	505,184
Net income	-	-	-	124,379	124,379
Cash dividends:					
Preferred stock	-	-	-	(7,156)	(7,156)
Common stock	-	-	-	(36,660)	(36,660)
Sale and issuance of common stock, net of shares repurchased, under stock incentive plans	-	209	4,563	-	4,772
Other	-	-	381	-	381
Balance, January 29, 1994	107,500	73,431	284,744	125,225	590,900
Net income	-	-	-	82,619	82,619
Cash dividends:					
Preferred stock	-	-	-	(7,156)	(7,156)
Common stock	-	-	-	(41,574)	(41,574)
Sale and issuance of common stock, net of shares repurchased, under stock incentive plans	-	29	807	-	836
Common stock repurchased	-	(1,059)	(18,202)	-	(19,261)
Other	-	-	588	-	588
Balance, January 28, 1995	\$107,500	\$72,401	\$267,937	\$159,114	\$606,952

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

## Consolidated Statements of Cash Flows

The TJX Companies, Inc.

Fiscal Year Ended	January 28, 1995	January 29, 1994	January 30, 1993 (53 Weeks)
	In Thousands		
Cash flows from operating activities:			
Net income	\$ 82,619	\$124,379	\$102,846
Adjustments to reconcile net income to net cash provided by operating activities:			
Extraordinary item	-	-	1,198
Cumulative effect of accounting changes	-	2,667	-
Depreciation and amortization	76,528	67,544	62,933
Loss on property disposals	6,223	1,714	9,527
Other, net	908	(277)	5,518
Changes in assets and liabilities:			
(Increase) in accounts receivable	(12,801)	(6,518)	(2,292)
(Increase) in merchandise inventories	(165,405)	(99,970)	(119,888)
(Increase) in prepaid expenses	(2,668)	(2,898)	(3,189)
Increase in accounts payable	98,699	14,800	64,001
Increase (decrease) in accrued expenses and other current liabilities	20,886	(13,993)	25,536
(Decrease) in deferred income taxes	(440)	(3,000)	(7,559)
Net cash provided by operating activities	104,549	84,448	138,631
Cash flows from investing activities:			
Property additions	(127,826)	(125,848)	(107,881)
Net cash (used in) investing activities	(127,826)	(125,848)	(107,881)
Cash flows from financing activities:			
Proceeds from borrowings of short-term debt	20,000	-	-
Proceeds from borrowings of long-term debt	65,500	37,000	-
Principal payments on long-term debt	(6,057)	(4,201)	(10,392)
Prepayment of long-term debt	(5,449)	-	-
Defeasance of 8 1/8% promissory notes	-	-	(51,897)
Proceeds from sale and issuance of Series A and Series C preferred stock, net	-	-	104,429
Proceeds from sale and issuance of common stock, net	741	3,828	3,081
Common stock repurchased	(19,261)	-	-
Cash dividends paid	(48,730)	(43,816)	(36,112)
Other	-	-	(462)
Net cash provided by (used in) financing activities	6,744	(7,189)	8,647
Net increase (decrease) in cash and cash equivalents	(16,533)	(48,589)	39,397
Cash and cash equivalents at beginning of year	58,102	106,691	67,294
	4		
Cash and cash equivalents at end of year	\$ 41,569	\$ 58,102	\$106,691

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

## Selected Information By Major Business Segment The TJX Companies, Inc.

Fiscal Year Ended	January 28, 1995	January 29, 1994	January 30, 1993 (53 Weeks)
	In Thousands		
Net sales:			
Off-price family apparel stores	\$3,055,573	\$2,832,070	\$2,588,603
Off-price women's specialty stores	353,672	373,133	381,979
Off-price catalog operation	433,573	421,401	290,658
	\$3,842,818	\$3,626,604	\$3,261,240
Operating income (loss):			
Off-price family apparel stores	\$ 208,648	\$ 236,988	\$ 216,726
Off-price women's specialty stores	(4,523)	5,013	(5,548)
Off-price catalog operation	6,056	24,651	22,967
	210,181	266,652	234,145
General corporate expense*	39,864	34,312	32,108
Goodwill amortization	2,614	2,617	2,621
Interest expense	25,893	19,041	26,298
Income before income taxes, extraordinary item and cumulative effect of accounting changes	\$ 141,810	\$ 210,682	\$ 173,118
Identifiable assets:			
Off-price family apparel stores	\$1,154,258	\$ 963,750	\$ 848,987
Off-price women's specialty stores	89,008	98,351	97,956
Off-price catalog operation	179,752	162,424	126,842
Corporate, primarily cash and goodwill	215,200	202,845	231,311
	\$1,638,218	\$1,427,370	\$1,305,096
Capital expenditures excluding capitalized leases:			
Off-price family apparel stores	\$ 91,801	\$ 91,723	\$ 68,504
Off-price women's specialty stores	8,151	7,902	6,258
Off-price catalog operation	11,311	16,676	19,350
Corporate	16,563	9,547	13,769
	\$ 127,826	\$ 125,848	\$ 107,881
Depreciation and amortization:			
Off-price family apparel stores	\$ 53,601	\$ 47,369	\$ 44,237
Off-price women's specialty stores	10,553	10,726	11,535
Off-price catalog operation	6,280	5,055	3,665
Corporate, including goodwill	6,094	4,394	3,496
	\$ 76,528	\$ 67,544	\$ 62,933

\* The fiscal years ended January 28, 1995 and January 29, 1994 include the net operating results of HomeGoods and the Company's United Kingdom venture,

T.K. Maxx. The fiscal year ended January 30, 1993 includes the net operating results of HomeGoods, costs associated with the former Value Mart operation and a reserve for the Hit or Miss real estate repositioning.

Notes to Consolidated Financial Statements The TJX Companies, Inc.

Summary of Accounting Policies

**Fiscal Year:** The Company's fiscal year ends on the last Saturday in January. The fiscal years ended January 28, 1995 and January 29, 1994 each included 52 weeks. The fiscal year ended January 30, 1993 included 53 weeks.

**Basis of Presentation:** The consolidated financial statements of The TJX Companies, Inc. include the financial statements of all the Company's wholly-owned subsidiaries, including its foreign owned subsidiaries.

**Accounting Changes:** The cumulative effect of accounting changes for the fiscal year ended January 29, 1994 is the net effect of implementing Statement of Financial Accounting Standards (SFAS) No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 109 "Accounting for Income Taxes." See Notes E and F for further information.

**Cash Equivalents:** The Company generally considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Company's investments are primarily high grade commercial paper or time deposits with major banks. Fair value of cash equivalents approximates carrying value.

**Merchandise Inventories:** Inventories are stated at the lower of cost or market. The Company primarily uses the retail method for valuing inventories on the first-in first-out basis.

**Depreciation and Amortization:** For financial reporting purposes, the Company provides for depreciation and amortization of property principally by the use of the straight-line method, over the estimated useful lives of the assets. Leasehold costs and improvements are generally amortized over the lease term or their estimated useful life, whichever is shorter. Maintenance and repairs are charged to expense as incurred. Upon retirement or sale, the cost of disposed assets and the related depreciation are eliminated and any gain or loss is included in net income. Debt discount and related issue expenses are amortized over the lives of the related debt issues. Pre-opening costs are charged to operations within the fiscal year that a new store or facility opens.

**Goodwill:** Goodwill is primarily the excess of the purchase price incurred over the carrying value of the minority interest in the Company's former 83%-owned subsidiary. The minority interest was acquired pursuant to the Company's fiscal 1990 restructuring. In addition, goodwill includes the excess of cost over the estimated fair market value of the net assets of Winners Apparel Ltd., acquired by the Company effective May 31, 1990. Goodwill is being amortized over 40 years. Annual amortization of goodwill was \$2.6 million in fiscal years 1995, 1994 and 1993. Cumulative amortization as of January 28, 1995 and January 29, 1994 was \$14.7 million and \$12.0 million, respectively. The Company periodically reviews the carrying value of goodwill in relation to the current and expected

operating results of the related business segments in order to assess whether there has been a permanent impairment of goodwill.

**Capitalized Interest:** The Company capitalizes interest related to the development of real estate locations. Interest in the amount of \$347,000, \$171,000 and \$317,000 was capitalized in fiscal years 1995, 1994 and 1993, respectively.

**Net Income Per Common Share:** Primary and fully diluted net income per common share is based upon the weighted average number of common and common equivalent shares and other dilutive securities outstanding in each year after adjusting net income for preferred stock dividends of \$7.2 million in fiscal years 1995 and 1994, respectively, and \$3.9 million in fiscal 1993.

**Foreign Currency Translation:** The assets and liabilities of the Company's foreign operations are translated at the year-end exchange rate and the income statement items are translated at the average exchange rates prevailing during the year. Cumulative foreign currency translation losses were \$1.6 million as of January 28, 1995 and January 29, 1994 and are recorded as a component of additional paid-in capital.

**Other:** Certain amounts in prior years' financial statements have been reclassified for comparative purposes.



## A. Long-Term Debt and Credit Lines

At January 28, 1995 and January 29, 1994, long-term debt, exclusive of current installments, consisted of the following (information as to interest rates and maturity dates as of January 28, 1995 only):

	January 28, 1995	January 29, 1994
	In Thousands	
Real estate mortgages, interest at 8.25% to 10.4% maturing February 1, 1997 to December 30, 2004	\$ 77,550	\$ 42,823
Equipment notes, interest at 11% to 11.25% maturing December 12, 2000 to December 30, 2001	4,598	6,031
General corporate debt:		
9 1/2% sinking fund debentures, maturing May 1, 2016 with \$4,400,000 annual sinking fund requirement beginning May 1, 1997	99,830	100,000
9.2% senior unsecured notes, maturing November 30, 1995	-	25,000
Medium term notes, interest at 4.53% to 7.97%, maturing October 21, 1996 to September 20, 2004	57,500	37,000
Total general corporate debt	157,330	162,000
Long-term debt, exclusive of current installments	\$239,478	\$210,854

The aggregate maturities of long-term debt, exclusive of current installments, outstanding at January 28, 1995 are as follows:

Fiscal Year	Real Estate Mortgages and Equipment Notes	General Corporate Debt	Total
	In Thousands		
1997	\$11,631	\$ 22,000	\$ 33,631
1998	11,033	19,730	30,763
1999	28,356	4,400	32,756
2000	5,695	4,400	10,095
Later years	25,433	106,800	132,233
Aggregate maturities of long-term debt	\$82,148	\$157,330	\$239,478

Real estate mortgages are collateralized by land and buildings. While the parent company is not directly obligated with respect to the real estate mortgages, it or a wholly-owned subsidiary has either guaranteed the debt

or has guaranteed a lease, if applicable, which has been assigned as collateral for such debt.

On December 30, 1994, the Company secured a \$45 million real estate mortgage on its Chadwick's fulfillment center. The notes require semi-annual principal payments of \$2.5 million beginning June 1996, maturing in December 2004, and carry an annual interest rate of 8.73%. The proceeds were used to prepay the \$5.4 million outstanding mortgage on the Chadwick's facility, with the balance of the proceeds used for general corporate purposes. Costs for the early retirement of the \$5.4 million mortgage were immaterial.

In October 1993, the Company filed a shelf registration statement with the Securities and Exchange Commission which provides for the issuance of up to \$75 million of Medium Term Notes (MTN). The borrowings under this program are to support the Company's international and domestic new business development and capital expenditures. On October 21, 1993, the Company issued an aggregate of \$37 million of Series A notes under the MTN program via three separate pricing supplements. On September 19, 1994, the Company issued an additional \$20.5 million of Series A notes via two pricing supplements. The interest rate and maturity information of the Series A notes issued are as follows:

Series A Notes:	Issue Date	Principal In Thousands	Interest Rate	Maturity Date
Supplement No. 1	10/21/93	\$15,000	5.87%	10/21/03
Supplement No. 2	10/21/93	12,000	4.53%	10/21/96
Supplement No. 3	10/21/93	10,000	4.55%	10/21/96
Supplement No. 4	09/19/94	15,500	6.97%	09/19/97
Supplement No. 5	09/19/94	5,000	7.97%	09/20/04

To date the aggregate borrowings of \$57.5 million have been used entirely to fund the Company's investment in its Canadian and United Kingdom operations. To hedge the Company's investment in its foreign subsidiaries, it entered into foreign currency swap agreements in both Canadian dollars and British pounds sterling, in amounts equivalent to the MTN borrowings. The interest rate payable on the foreign currency is slightly higher than the interest received on the currency exchanged, resulting in deferred charges of \$4.4 million as of January 28, 1995, which are being amortized to interest expense over the related terms of the swap agreements. See Note B for further information on these transactions.

In May 1992, the Company completed an "in-substance defeasance" of its outstanding \$50 million 8 1/8% promissory notes due May 1, 1993. The net proceeds of the Series A preferred stock offering (see Note D) were applied towards the purchase of \$51.9 million of U. S. Treasury Bonds which were placed in trust. The U. S. Treasury Bonds, which have all matured, had scheduled maturities sufficient to fund the Company's interest and principal payments due on the promissory notes from May 1, 1992 through the final maturity date of May 1, 1993. The Company incurred an after-tax extraordinary loss of \$1.2 million, or \$.02 per common share, for the early extinguishment of this debt.

## 10

On December 30, 1992, the Company called for the redemption of its 7 1/4% convertible subordinated debentures, pursuant to a standby agreement with an underwriter. As a result, virtually all of the \$69.8 million of outstanding debentures were converted into common stock, with the balance redeemed. This transaction resulted in the issuance of 3,108,755 shares of common stock, and increased shareholders' equity by \$68.6 million. The standby fee paid to the underwriter, as well as other expenses associated with the transaction, were charged to additional paid-in capital.

As of January 28, 1995, the Company had unsecured committed lines of credit with its banks in the amount of \$300 million, and uncommitted lines of \$115 million, with interest payable at rates equal to or less than prime. Actual short-term borrowings during the fiscal year ended January 28, 1995 were at rates below prime. The committed lines are used as backup to the Company's commercial paper program. At January 28, 1995, all of the committed lines were available for use as well as \$95 million of the uncommitted lines. The weighted average interest rate on the Company's short-term bank lines was 4.86%, 3.41% and 4.00% in fiscal 1995, 1994 and 1993, respectively. The weighted average interest rate on the Company's commercial paper was 5.08%, 3.34% and 3.80% in fiscal 1995, 1994 and 1993, respectively. The Company does not have any compensating balance requirements under these arrangements but is required to pay a fee on the credit lines and must maintain a minimum net worth.

## B. Financial Instruments

The Company enters into foreign currency exchange contracts to reduce exposure to foreign currency exchange risk.

At January 28, 1995, the Company had \$4.7 million of forward foreign exchange contracts to hedge firm U.S. dollar merchandise purchase commitments made by its Canadian subsidiary. The contracts cover commitments for the first quarter of fiscal 1996 and any gain or loss on the contract will ultimately be reflected in the cost of the merchandise. Deferred gains and losses on the contracts as of January 28, 1995 were immaterial.

The Company also has entered into foreign currency swap agreements in both Canadian dollars and British pounds sterling in amounts equivalent to borrowings under the Company's MTN program. The aggregate borrowings of \$57.5 million under the MTN program approximated the Company's combined investment in its United Kingdom and Canadian operations at the time of the borrowings. As of January 28, 1995, the Company had swap agreements whereby it exchanged \$20.0 million for Canadian dollars and \$37.5 million for British pounds sterling. The swap agreements are accounted for as a hedge against the Company's investment in foreign subsidiaries and thus foreign exchange gains and losses on the agreements are recognized in shareholders' equity, offsetting translation adjustments associated with the Company's investment in foreign operations. The swap agreements contain rights of offset which minimize the Company's exposure to credit loss in the event of nonperformance by one of the counterparties.

The counterparties to the exchange contracts and swap agreements are major international financial institutions. The Company periodically monitors

11

its position and the credit ratings of the counterparties and does not anticipate losses resulting from the nonperformance of these institutions.

Pursuant to SFAS No. 107 "Disclosures About Fair Value of Financial Instruments," the Company has estimated the fair value of its long-term debt, including current installments. The fair value of the Company's long-term debt was estimated by using the quoted market price, if available, or by using discounted cash flow analysis based upon the Company's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of long-term debt, including current installments at January 28, 1995 is estimated to be \$269.7 million versus a carrying value of \$270.8 million. These estimates do not necessarily reflect certain provisions or restrictions in the various debt agreements which might affect the Company's ability to settle these obligations. The fair value of all other financial instruments of the Company, including cash equivalents and the swap agreements, approximate carrying value.

#### C. Commitments

The Company is committed under long-term leases related to its continuing operations for the rental of real estate and fixtures and equipment, some of which meet the SFAS No. 13 definition of capital leases. Leases are generally for a 10 year initial term with options to extend for one or more 5 year periods. In addition, the Company is generally required to pay insurance, real estate taxes and other operating expenses and in some cases rentals based on a percentage of sales.

The following is a schedule of future minimum lease payments for continuing operations as of January 28, 1995:

Fiscal Years	Capital	Operating
	Leases	Leases
	In Thousands	
1996	\$ 997	\$ 155,335
1997	997	149,094
1998	117	136,517
1999	-	122,502
2000	-	107,953
Later years	-	351,983
Total minimum lease payments	2,111	\$1,023,384
Less amount representing interest	(166)	
Present value of net minimum capital lease payments	\$1,945	

The present value of net minimum capital lease payments is included in accrued expenses and other current liabilities and property under capital leases is included in furniture, fixtures and equipment on the balance sheets.

The rental expense under operating leases for continuing operations amounted to \$149.1 million, \$126.3 million and \$112.4 million for fiscal years 1995, 1994 and 1993, respectively. The present value of the Company's operating lease obligations is \$712.7 million as of January 28, 1995, including \$92.5 million payable in fiscal 1996.

12

In fiscal 1990, the Company distributed to shareholders the common stock of

Waban Inc., its former warehouse club division. Subsequent to the distribution, the Company continued to provide Waban with certain services, primarily data processing for an agreed upon fee. Waban has elected to continue data processing services through January 1998. In addition, the Company is contingently liable on a number of Waban leases. The Company believes that in view of the nature of the leases and the fact that Waban is primarily liable, the Company's contingent liability on the Waban leases will not have a material effect on the Company's financial condition. For information on leases acquired by Ames Department Stores, Inc., see Note I.

The Company had outstanding letters of credit in the amount of \$53.7 million as of January 28, 1995. The letters of credit are issued for the purchase of inventory.

#### D. Stock Options, Stock Purchase Plans and Capital Stock

Under its stock option plan the Company has granted certain officers and key employees options for the purchase of common stock generally within ten years from the grant date at option prices of 100% of market price on the grant date. Most options outstanding are exercisable at various percentages starting one year after the grant, while certain options are exercisable in their entirety three years after the grant date. There were approximately 1,490,000 shares exercisable under the option plans as of January 28, 1995.

During June 1993, the Company amended its 1986 Stock Incentive Plan to increase shares issuable under the plan by 3,000,000 and to extend the period during which awards may be made under the plan through April 7, 2003.

On April 8, 1993, the Company adopted a stock option plan for non-employee directors. Pursuant to the plan, each continuing or newly elected director who is not a present or former employee of the Company will receive an option to purchase 1,000 shares of common stock. On the date of each subsequent annual meeting, each continuing non-employee director will be granted an option to acquire an additional 500 shares of common stock and newly elected directors will each receive an option to purchase 1,000 shares of common stock. The exercise price of the options will be the fair market value of the common stock on the date of grant. The option will expire ten years after the date of grant and will become fully exercisable one year after the date of grant. The plan will expire after five years, but options outstanding will continue in effect according to their terms. A total of 50,000 shares have been reserved for issuance under this plan subject to adjustment by stock split and similar events.

13

Option activity during the past three fiscal years was as follows:

	Option Prices	Shares Reserved for Options Granted	Future Grants
Outstanding at January 25, 1992	\$10.250-\$29.000	1,701,035	962,815
Options or other stock awards granted	16.750- 21.250	512,650	(641,583)
Options exercised	10.250- 18.875	(215,612)	-
Cancellations	10.250- 29.000	(85,608)	85,960
Outstanding at January 30, 1993	10.250- 29.000	1,912,465	407,192
Additional options authorized under 1986 plan		-	3,000,000
Authorized under 1993 stock option plan for non-employee directors		-	50,000
Options or other stock awards granted	25.250- 32.875	566,790	(569,290)
Options exercised	10.250- 24.500	(249,719)	-
Cancellations	10.250- 28.000	(46,568)	3,300
Outstanding at January 29, 1994	10.250- 32.875	2,182,968	2,891,202
Options or other stock awards granted	13.250- 26.875	631,940	(631,940)
Options exercised	10.250- 21.250	(50,498)	-
Cancellations	10.250- 25.250	(69,955)	29,000
Outstanding at January 28, 1995	10.250- 32.875	2,694,455	2,288,262

The shares reserved for future grants have been reduced by restricted stock awards issued under the 1986 Stock Incentive Plan, net of certain shares forfeited, which are returned to the Company. Through fiscal 1995, there

have been a total of 486,001 shares issued and 80,625 shares forfeited. The shares were issued at par value, or at no cost, and have restrictions which generally lapse over three to five years from date of grant, with the exception of performance accelerated shares. These shares have restrictions which generally lapse equally over four to eight years, with a provision for accelerated vesting depending upon the Company's earnings, or other specified criteria. The market price in excess of cost is charged to income ratably over the period during which the restrictions lapse. Such pre-tax charges amounted to \$0.6 million, \$1.7 million and \$1.9 million in fiscal years 1995, 1994 and 1993, respectively.

On August 16, 1994, the Company authorized the repurchase of up to \$100 million of TJX common stock. During fiscal 1995, the Company repurchased 1.1 million of its common shares, totalling \$19.3 million, representing approximately 1.5% of the Company's outstanding common shares. It is the Company's intention to repurchase additional shares over time through open market purchases or through other transactions.

In April 1992, the Company issued 250,000 shares of Series A cumulative convertible preferred stock in a private offering. The shares have a face value of \$100 per share and are convertible into common stock at a price

per common share of \$21. There are 1,190,476 common shares reserved for the conversion of the Series A preferred stock. The net proceeds of \$24.1 million were applied towards the Company's defeasance of its \$50 million 8 1/8% promissory notes (see Note A). Starting April 1, 1995, the Company may redeem the Series A stock for a price of \$104.80 per share, declining by \$.80 per share each April 1 thereafter to \$100 per share on April 1, 2001. The liquidation preference for Series A preferred stock is currently \$105.60 per share and also declines \$.80 per share each April 1 to \$100 per share on April 1, 2001.

In August 1992, the Company issued 1,650,000 shares of Series C cumulative convertible preferred stock in a public offering. The shares have a face value of \$50 per share and are convertible into common stock at a price per common share of \$25.9375. There are 3,180,723 common shares reserved for the conversion of the Series C preferred stock. The net proceeds of \$80.3 million were used to support the Company's capital expenditure program and for other general corporate purposes. The Series C preferred stock is not redeemable prior to September 1, 1995. Starting September 1, 1995, the Company may redeem the stock for \$52.1875 per share, declining by \$.3125 per share each September 1 thereafter to \$50 per share on September 1, 2002. The liquidation preference for the Series C preferred stock is \$50 per share.

Dividends on both the Series A and Series C preferred stock are payable quarterly on the first business day of each calendar quarter and accrue from date of issuance. The Company accrues the dividends evenly throughout the year. In fiscal years 1995 and 1994, the Company recorded \$2.0 million of dividends on the Series A preferred and \$5.2 million on the Series C preferred. In fiscal 1993, the Company recorded \$1.6 million of dividends on Series A preferred and \$2.3 million on the Series C preferred. The preferred dividends reduce net income to arrive at net income available to common shareholders.

The Series A and Series C preferred stock rank in parity with each other and both are senior to all other capital stock of the Company with respect to payment of dividends and upon liquidation. There are no voting rights for either preferred stock unless dividends are in arrears for a specified number of periods.

During fiscal 1995, the Company's shareholder rights plan was redeemed at a price of \$.01 per common share. This redemption cost of \$0.7 million is included with common stock dividends as a direct reduction to shareholders' equity.

E. Income Taxes

The provisions for income taxes were calculated according to SFAS No. 109 in fiscal years 1995 and 1994 and according to Accounting Principles Board Opinion No. 11 in fiscal 1993. The retroactive impact of implementing SFAS No. 109 as of January 31, 1993 reduced deferred income taxes by \$3,478,000 which was recorded as a gain due to the cumulative effect of an accounting change.

The provision for income taxes includes the following:

Fiscal Year Ended January	1995	1994	1993
		In Thousands	
Current:			
Federal	\$50,093	\$70,523	\$58,582

State	8,053	16,632	18,647
Foreign	1,425	90	-
Deferred:			
Federal	(1,944)	(2,870)	(4,820)
State	27	(739)	(3,335)
Foreign	1,537	-	-
Provision for income taxes	\$59,191	\$83,636	\$69,074

The fiscal 1994 deferred provision above reflects a \$1.1 million benefit from a Canadian net operating loss carryforward as well as a charge of \$0.4 million for the adjustment of the Company's net deferred tax liability due to the increase in the statutory federal income tax rate enacted during the year.

The Company had a net deferred tax liability as follows:

	January 28, 1995	January 29, 1994
	In Thousands	
Deferred tax assets:		
Capital loss carryforward	\$49,107	\$49,568
Foreign net operating loss carryforward	4,191	2,075
Reserves for discontinued operations	6,054	8,877
Insurance costs not currently deductible for tax purposes	14,782	15,025
Pension, postretirement and employee benefits	15,950	15,427
Leases	4,961	4,318
Other	11,906	12,159
Valuation allowance	(53,968)	(51,241)
Total deferred tax assets	52,983	56,208
Deferred tax liabilities:		
Property, plant and equipment	26,072	27,337
Safe harbor leases	51,386	54,817
Other	9,048	8,017
Total deferred tax liabilities	86,506	90,171
Net deferred tax liability	\$33,523	\$33,963

The capital loss carryforward tax asset relates to the surrendering of the Ames preferred stock upon consummation of the Ames reorganization plan. Utilization of this pre-tax capital loss of \$140.3 million is only available to the extent of future capital gains and thus this deferred tax asset is fully reserved for in the valuation allowance.

16

The change in the valuation allowance during the year is the result of changes in foreign net operating loss carryforwards and utilization of a portion of the capital loss carryforward.

The Company does not provide for U.S. deferred income taxes on the undistributed earnings its foreign subsidiaries, as the earnings are considered to be permanently reinvested. The undistributed earnings of its foreign subsidiaries as of January 28, 1995 were immaterial.

The Company has a United Kingdom net operating loss carryforward of approximately \$12 million for both tax and financial reporting purposes. Future utilization of this operating loss carryforward is dependent upon future earnings of the Company's United Kingdom subsidiary. The United Kingdom operating loss does not expire under current United Kingdom tax law.

The Company's worldwide effective tax rate was 42% for the fiscal year ended January 28, 1995 and 40% for the fiscal years ended January 29, 1994 and January 30, 1993. The difference between the U.S. federal statutory income tax rate and the Company's worldwide effective income tax rate is summarized as follows:

Fiscal Year Ended January	1995	1994	1993
U.S. federal statutory income tax rate	35%	35%	34%
Effective state income tax rate	5	5	6
Impact of foreign operations	3	-	-
All other	(1)	-	-
Worldwide effective income tax rate	42%	40%	40%

In fiscal 1994, the benefit of the Canadian net operating loss carryforward was offset by the impact of the Company's entry into the United Kingdom.

#### F. Pension Plans and Other Retirement Benefits

The Company has a non-contributory defined benefit retirement plan covering the majority of full-time employees. Employees who have attained twenty-

one years of age and have completed one year of service are covered under the plan. Benefits are based on compensation earned in each year of service. The Company also has an unfunded supplemental retirement plan which covers certain key employees of the Company and provides additional retirement benefits based on average compensation.

17

Net periodic pension cost of the Company's plans includes the following components:

Fiscal Year Ended January	1995	1994	1993
		In Thousands	
Service cost	\$ 4,554	\$ 3,375	\$ 2,650
Interest cost on projected benefit obligation	6,526	5,995	5,466
Actual return on assets	4,545	(12,188)	(10,828)
Net amortization and deferrals	(11,600)	5,760	5,031
Net periodic pension cost	\$ 4,025	\$ 2,942	\$ 2,319

The following table sets forth the funded status of the Company's pension plans and the amounts recognized in the Company's statements of financial position:

	January 28, 1995	January 29, 1994
	In Thousands	
Accumulated benefit obligation, including vested benefits of \$71,592 and \$78,588	\$77,256	\$84,049
Projected benefit obligation	\$82,297	\$90,092
Plan assets at fair market value	66,454	75,378
Projected benefit obligation in excess of plan assets	15,843	14,714
Unrecognized net gain (loss) from past experience different from that assumed and effects of changes in assumptions	(1,897)	(4,584)
Prior service cost not yet recognized in net periodic pension cost	(1,127)	(1,218)
Unrecognized net asset (obligation) as of initial date of application of SFAS No. 87	(568)	(138)
Accrued pension cost included in accrued expenses	\$12,251	\$ 8,774

The projected benefit obligation in excess of plan assets is primarily attributable to the Company's unfunded supplemental retirement plan.

The weighted average discount rate used in determining the actuarial present value of the projected benefit obligation was 8.25% and 7.0% for fiscal years 1995 and 1994, respectively. The rate of increase on future compensation levels was 4.5% and 5% in fiscal years 1995 and 1994, respectively, and the expected long-term rate of return on assets was 9.5% in fiscal years 1995 and 1994. The Company's funding policy is to contribute annually an amount allowable for federal income tax purposes. Pension plan assets consist primarily of fixed income and equity securities.

Effective January 31, 1993, the Company adopted the Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions." This standard requires accrual for the cost

18

of postretirement health care and life insurance benefits during the years that an employee provides services to the Company. The Company elected to recognize the transition obligation in full as of January 31, 1993, and accordingly recorded a one-time implementation charge of \$6,145,000, net of a tax benefit of \$3,937,000, as a cumulative effect of an accounting change. The Company's cash flows are not impacted by the new accounting.

The Company's postretirement benefit plan is unfunded and provides limited postretirement medical and life insurance benefits to associates who participate in the Company's retirement plan and who retire at age 55 or older with 10 years or more of service.

Net periodic postretirement benefit cost of the Company's plan includes the following components:

Fiscal Year Ended	1995	1994
January	In Thousands	
Service cost	\$ 952	\$ 476
Interest cost on accumulated benefit obligation	963	820
Net amortization	88	-
Net periodic postretirement benefit cost	\$2,003	\$1,296

The components of the accumulated postretirement benefit obligation and the amount recognized in the Company's statements of financial position are as follows:

	January 28, 1995	January 29, 1994
	In Thousands	
Accumulated postretirement obligation:		
Retired associates	\$ 6,394	\$ 7,038
Fully eligible active associates	712	302
Other active associates	5,168	4,565
Accumulated postretirement obligation	12,274	11,905
Unrecognized net gain (loss) due to change in assumptions	(149)	(1,140)
Accrued postretirement benefits included in accrued expenses	\$12,125	\$10,765

Assumptions used in determining the actuarial present value of the accumulated postretirement obligation include a discount rate of 8.25% at January 28, 1995 and 7.0% at January 29, 1994. A medical inflation rate of 5% was assumed in both periods for all future years. Due to the nature of the plan, the Company's exposure to medical inflation is primarily limited to increases in the Medicare deductible. A 1% increase in the medical inflation assumption would increase the postretirement benefit cost for fiscal 1995 by \$0.2 million and the accumulated postretirement obligation as of January 28, 1995 by approximately \$1.1 million.

The Company sponsors an employee savings plan under Section 401(k) of the Internal Revenue Code for eligible employees. Employees may contribute up

19

to 15% of eligible pay. The Company matches employee contributions up to 5% of eligible pay at rates ranging from 25% to 50% based upon Company performance. The Company contributed \$2.2 million in fiscal 1995, \$2.2 million in fiscal 1994 and \$1.9 million in fiscal 1993.

#### G. Accrued Expenses and Other Current Liabilities

The major components of accrued expenses and other current liabilities are as follows:

	January 28, 1995	January 29, 1994
	In Thousands	
Employee compensation and benefits	\$ 64,210	\$ 59,296
Reserves associated with discontinued operations	13,085	17,618
Insurance, rent, utilities, advertising and other	190,387	168,225
Accrued expenses and other current liabilities	\$267,682	\$245,139

#### H. Supplemental Cash Flow Information

The Company's cash payments for interest expense and income taxes, including discontinued operations, and its non-cash investing and financing activities for the past three years are as follows:

Fiscal Year Ended	January 28, 1995	January 29, 1994	January 30, 1993
	In Thousands		
Cash paid for:			
Interest, net of amounts capitalized	\$25,051	\$18,573	\$28,166
Income taxes	68,940	94,580	65,040
Non-cash investing and financing activities:			
Conversion of 7 1/4% convertible debentures into common stock	-	-	\$69,031
Capital lease additions	-	-	4,069



## I. Ames Department Stores, Inc. and Related Contingent Liabilities

In October 1988, the Company completed the sale of its former Zayre Stores division to Ames Department Stores, Inc. ("Ames"). The Company received \$431.4 million in cash, a 12%-16% ten year \$200 million increasing rate note receivable (the "Ames Note"), which was paid on May 24, 1989, and 400,000 shares of 6% cumulative convertible senior preferred stock of Ames then valued at \$140 million.

20

In its results for the fiscal year ended January 27, 1990, the Company provided a \$185 million (\$172.1 million after-tax) reserve against its preferred stock investment in Ames Department Stores, Inc., and for contingent lease and other liabilities associated with the sale of the former Zayre Stores division to Ames in fiscal 1989. On April 25, 1990, Ames filed for protection under Chapter 11 of the Federal Bankruptcy Code.

The Company continued to monitor the adequacy of its reserves since the April 1990 bankruptcy filing of Ames and in the fourth quarter of the fiscal year ended January 25, 1992 increased its reserves by recording a charge of \$50 million, net of tax benefits of \$27 million, to discontinued operations.

On December 30, 1992, Ames emerged from bankruptcy via its Third Amended and Restated Plan of Reorganization. Upon consummation of the plan, the Company received \$23 million in cash, 4% of the voting stock of the new Ames, which the Company has subsequently sold, and the right to receive up to an additional \$7 million in cash based on Ames exceeding its cash flow projections for future years by varying amounts. The Company also surrendered the Ames preferred stock it received in the sale of the Zayre Stores division. Ames also released all claims (including any fraudulent conveyance and preference claim) that it might have had against the Company. The Company is liable for certain amounts to be distributed under the plan for certain unassigned landlord claims under certain former Zayre store leases on which Zayre Corp. was liable as of the date of acquisition and which Ames has rejected.

As of January 28, 1995, the Company has available reserves of \$13.1 million for lease and other contingent liabilities associated with the sale of the Zayre stores to Ames and believes these reserves should be adequate to cover all reasonably expected liabilities that it may incur as a result of the Ames bankruptcy.

The Company remains contingently liable for the leases of most of the former Zayre stores still operated by Ames. The Company also has the potential of recognizing tax benefits, subject to federal income tax considerations, related to the \$140.3 million capital loss carryforward created by surrendering the Ames preferred stock.

## J. Segment Information

For data on business segments for fiscal 1995, 1994 and 1993 see page 20.

21

### Selected Financial Data (Continuing Operations)

Fiscal Year Ended January	1995	1994	1993	1992	1991
	Dollars in Thousands Except Per Share Amounts				

Income statement and  
per common share data:

Net sales	\$3,842,818	\$3,626,604	\$3,261,240	\$2,757,715	\$2,446,279
Income from continuing operations before extra- ordinary item and cumulative effect of accounting changes	82,619	127,046	104,044	70,114	74,128

Number of common shares for primary and fully diluted earnings per common share computations	73,467,003	74,192,358	73,873,276	70,050,835	72,924,288
Earnings per common share from continuing operations before extraordinary item and cumulative effect of accounting changes	\$1.03	\$1.62	\$1.40	\$1.00	\$1.06
Dividends per common share	.56	.50	.46	.46	.46

Balance sheet data:

Working capital	\$ 287,932	\$ 290,203	\$ 245,312	\$ 171,611	\$ 230,444
Total assets	1,638,218	1,427,370	1,305,096	1,105,319	1,047,301
Capital expenditures, excluding capitalized leases	127,826	125,848	107,881	89,532	79,019
Long-term debt	239,478	210,854	179,787	307,385	308,593
Shareholders' equity	606,952	590,900	505,184	260,517	270,507

Stores in operation end of year:

T.J. Maxx	551	512	479	437	393
Hit or Miss	490	493	505	576	574
Winners	37	27	15	9	5
HomeGoods	15	10	6	-	-
T.K. Maxx	5	-	-	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF The TJX Companies, Inc.  
RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

RESULTS OF OPERATIONS

Income Before Extraordinary Item and Cumulative Effect of Accounting Changes: Income before extraordinary item and cumulative effect of accounting changes was \$82.6 million for fiscal 1995 versus \$127.0 million and \$104.0 million in fiscal 1994 and 1993, respectively. On a fully diluted earnings per common share basis, income before extraordinary item and cumulative effect of accounting changes was \$1.03 in fiscal 1995 versus \$1.62 in fiscal 1994 and \$1.40 in fiscal 1993. These results are prior to a net after-tax charge for the cumulative effect of accounting changes of \$2.7 million, or \$.04 per common share, in fiscal 1994 and an extraordinary charge of \$1.2 million, or \$.02 per common share, for the early retirement of debt, in fiscal 1993.

These results reflect a decline in the operating income of the Company's three major business segments of 21.2% in fiscal 1995 versus an increase of 13.9% in operating income in fiscal 1994. The fiscal 1995 performance reflects a weak U.S. apparel environment, due largely to a lack of new fashion, an increased emphasis on casual dress, and shifting consumer emphasis from apparel to home furnishings. Fiscal 1995 also experienced a highly promotional U.S. retail environment and unseasonably warm weather in the fall and winter months. The proliferation of apparel stores in the U.S. was a continuing challenge for the Company in fiscal 1995. In addition to these external factors, there were areas within the Company where execution was below par, primarily at our Chadwick's division as discussed later. The off-price family apparel store segment, comprised of T.J. Maxx and Winners, recorded a decline of 12.0% in operating income in fiscal 1995 versus an increase of 9.3% in fiscal 1994. Winners, although a relatively small part of the segment, doubled its operating income for fiscal 1995 as Canada did not face the same difficult apparel environment as the U.S. The Company's off-price women's specialty stores, comprised of the Hit or Miss division, recorded an operating loss for fiscal 1995 of \$4.5 million versus operating income of \$5.0 million in fiscal 1994. Hit or Miss was more directly affected by the weak U.S. apparel environment as it is narrowly focused on women's apparel. The Company's off-price catalog operation, Chadwick's of Boston, recorded operating income of \$6.1 million in fiscal 1995 versus \$24.7 million in fiscal 1994. The U.S. apparel cycle, combined with operational problems, contributed to the decline in Chadwick's profits.

Net Sales: Net sales for fiscal 1995 increased 6.0% to \$3.84 billion from \$3.63 billion in 1994. Fiscal 1994 net sales increased 11.2% to \$3.63 billion from \$3.26 billion in fiscal 1993. Same store sales, on a consolidated basis, decreased 1% in fiscal 1995 versus a 2% increase in fiscal 1994. Lack of U.S. consumer interest in apparel throughout fiscal

1995, the highly promotional retail environment and unseasonably warm weather in the fall and winter months were all factors affecting sales results for 1995.

T.J. Maxx same store sales were flat in fiscal 1995 versus a 2% increase in fiscal 1994. Although apparel categories were weak throughout the year,

23

the non-apparel categories recorded solid same store sales gains in fiscal 1995. Winners achieved same store sales increases of 10% in fiscal 1995 and 7% in fiscal 1994. Hit or Miss recorded a 7% decrease in same store sales in fiscal 1995 versus a 4% increase in fiscal 1994. The Hit or Miss division, which is based exclusively on the sale of apparel merchandise, was more affected than the Company's other divisions by the weak U.S. apparel environment. Hit or Miss' total sales have declined over the last two fiscal years due to a net reduction in the number of stores operated by the chain. Chadwick's sales increased 3% in fiscal 1995 after an increase of 45% in fiscal 1994. In addition to the weak apparel cycle, the rapid growth of this division over the last several years put a strain on operations, which had a negative impact on this division's ability to service its customers.

[A pie chart is included in the discussion of Net Sales entitled "Divisional Net Sales" and includes the following data:]

Divisional Net Sales	
\$ in Millions FYE 1/95	
T.J. Maxx	\$2,932
Chadwick's	434
Hit or Miss	354
Winners (U.S. \$)	124

Cost of Sales, Including Buying and Occupancy Costs: The cost of sales, including buying and occupancy costs, as a percentage of net sales was 76.2%, 75.1% and 75.7% in fiscal 1995, 1994 and 1993, respectively. T.J. Maxx and Hit or Miss experienced a decline in gross margin in fiscal 1995 versus an increase in gross margin in fiscal 1994. The decrease in fiscal 1995 is due to weak sales performance and higher-than-planned markdowns. The increase in fiscal 1994 is attributable to same store sales growth and good inventory control. Chadwick's experienced a slight increase in its gross margin in fiscal 1995. Although this division did incur additional costs to liquidate merchandise in fiscal 1995, these costs were offset by savings in the net cost of shipping merchandise. In fiscal 1994, Chadwick's experienced a decline in gross margin as the division absorbed costs to liquidate residual inventory from several of its catalogs.

Selling, General and Administrative Expenses: Selling, general and administrative expenses as a percentage of net sales were 19.5%, 18.6%, and 18.2% in fiscal 1995, 1994 and 1993, respectively. T.J. Maxx and Hit or Miss experienced an increase in this expense ratio in fiscal 1995 primarily due to weak sales results. In fiscal 1994, T.J. Maxx's expense ratio remained constant with the prior year while Hit or Miss experienced a slight expense ratio decrease. Chadwick's had an expense ratio increase in fiscal 1995 primarily due to increased production and postage costs of its catalogs and order processing costs, while maintaining a fairly constant rate in fiscal 1994 with that of the prior year. Also, the operating results of T.K. Maxx, the Company's United Kingdom venture, and HomeGoods, are factors increasing this ratio in both fiscal 1995 and fiscal 1994, as the net results of both these divisions are included in selling, general and administrative expenses.

24

Interest Expense: Interest expense was \$25.9 million in fiscal 1995, \$19.0 million in fiscal 1994 and \$26.3 million in fiscal 1993. The increase in fiscal 1995 is attributable to increased borrowings and an increase in borrowing rates. In addition, fiscal 1994 includes interest income of \$2.0 million recorded in the fourth quarter, associated with a federal tax refund. The overall decrease in interest for fiscal 1994 as compared to fiscal 1993, in addition to the interest income mentioned above, is attributable to lower borrowing rates, and the conversion to equity of the Company's 7 1/4% convertible subordinated debentures in December 1992.

Income Taxes: The Company's worldwide effective income tax rate was 42% in fiscal 1995 and 40% in fiscal 1994 and fiscal 1993. The increase in the rate in fiscal 1995 is attributable to the Company's entry into the United Kingdom where a net operating loss carryforward has been incurred. In fiscal 1994, increases in the tax rate associated with the new U.S. tax law passed in August 1993, as well as the impact of the Company's entry into the United Kingdom, were offset by a lower effective state income tax rate and the benefit of a Canadian net operating loss carryforward. The difference between the U.S. federal statutory tax rate and the Company's worldwide effective income tax rate in each fiscal year is primarily attributable to the effective state income tax rate, with the additional impact in fiscal 1995 of the aforementioned net operating loss carryforward

attributable to the Company's entry into the United Kingdom.

During the first quarter of fiscal 1994, the Company implemented Statement of Financial Accounting Standards No. 109 (SFAS No. 109) "Accounting for Income Taxes" which resulted in an after-tax gain of \$3.5 million due to the cumulative effect of implementing this accounting change.

#### CAPITAL SOURCES AND LIQUIDITY

[A bar graph entitled "Long-Term Capitalization" is included in the Capital Sources and Liquidity section of this discussion. Each bar shows total long-term capitalization with the bottom portion of the bar representing the percent comprised of equity and the top portion of the bar representing the percent comprised of long-term debt. The graph includes the following data:]

Fiscal Year Ended	Total Long-Term Capitalization (\$'s in Millions)	Percent Equity	Percent Long-Term Debt
January			
1991	579	47%	53%
1992	568	46%	54%
1993	685	74%	26%
1994	802	74%	26%
1995	846	72%	28%

Operating Activities: Net cash provided by operating activities was \$104.5 million, \$84.4 million and \$138.6 million in fiscal 1995, 1994 and 1993, respectively. Cash provided by operations increased in fiscal 1995 despite reduced net income. The impact of the lower net income was offset by an increase in the consolidated accounts payable to merchandise inventory ratio, and lower payments against the Ames reserve. The reduction in cash provided by operations in fiscal 1994 versus 1993 was due to a decrease in

25

the consolidated accounts payable to merchandise inventory ratio, the impact of the receipt of the Ames cash settlement in fiscal 1993 and additional taxes, paid in fiscal 1994, on the Ames cash settlement.

Inventories as a percentage of net sales were 24.4% in fiscal 1995, 21.3% in fiscal 1994 and 20.6% in fiscal 1993. The increase in the percentage in fiscal 1995 was attributable to T.J. Maxx's higher warehouse inventory related to opportunistic merchandise purchases and a larger percentage of spring merchandise on hand at the end of fiscal 1995 than in fiscal 1994. The increase in the percentage in fiscal 1994 reflected growth in Chadwick's which maintains a higher inventory as a percentage of net sales than the other divisions, as well as the impact of Winners as its ratio of inventory to net sales moved closer to that of the T.J. Maxx division. Working capital was \$287.9 million in fiscal 1995, \$290.2 million in fiscal 1994 and \$245.3 million in fiscal 1993.

Investing Activities: The principal investing activities of the Company are for capital expenditures. Total capital expenditures for the last two years are set forth in the table below:

Fiscal Year Ended	1995	1994
January		
	In Millions	
New stores	\$ 58.1	\$ 45.8
Store renovations and improvements	42.1	25.3
Office and distribution centers	27.6	54.7
Capital expenditures, excluding capitalized leases	\$127.8	\$125.8

Fiscal 1995 capital expenditures emphasized new stores and store renovations. The fiscal 1994 capital expenditures include costs associated with T.J. Maxx's new distribution center in Charlotte, NC as well as costs associated with the expansion of Chadwick's fulfillment center.

The Company expects that capital expenditures will approximate \$125 million for fiscal 1996, including approximately \$52 million for new stores, primarily T.J. Maxx; \$40 million for improvements to existing stores, primarily T.J. Maxx; and approximately \$33 million for office and distribution centers.

Financing Activities: During fiscal 1995, the Company borrowed \$20.5 million under its \$75 million Medium Term Note program. In fiscal 1994, the Company borrowed \$37 million under this program. The borrowings are to support the Company's international and domestic new business development and capital expenditures. The aggregate borrowings of \$57.5 million to date have been entirely for the funding of the Company's investment in its Canadian and United Kingdom operations. To hedge the Company's investment in its foreign subsidiaries, the Company entered into foreign currency swap agreements in both Canadian dollars and British pounds sterling, in total amounts equivalent to its medium term note borrowings. See Notes A and B to the consolidated financial statements for further information. Also, during fiscal 1995, the Company borrowed \$45 million under a mortgage of its Chadwick's fulfillment center. The mortgage has a ten year term, with interest payable at 8.73% per year, and with semi-annual principal payments

of \$2.5 million beginning in June 1996. Proceeds of this loan were used to

26

repay the outstanding \$5.4 million real estate mortgage, assumed by the Company upon the purchase of the Chadwick's fulfillment center, with the balance used for general corporate purposes.

The Company declared quarterly dividends on its common stock of \$.14 per share in fiscal 1995 and \$.125 per share in fiscal 1994. Annual dividends on common stock totalled \$41.6 million in fiscal 1995 and \$36.7 million in fiscal 1994. In addition, in fiscal 1995 and 1994, the Company recorded dividends on its Series A and Series C preferred stock, totalling \$7.2 million in each year. During fiscal 1995, the Company announced a stock buy-back program for up to \$100 million and purchased 1.1 million shares at a cost of \$19.3 million, which represents approximately 1.5% of the Company's outstanding common shares. The Company's intentions are to purchase additional shares over time. The Company's shareholders' equity as a percentage of total long-term capitalization (defined as long-term debt plus shareholders' equity) has been in excess of 70% in each of the last three fiscal years.

The Company has traditionally funded its seasonal merchandise requirements through short-term bank borrowings and the issuance of short-term commercial paper. The Company has unsecured committed short-term credit lines totalling \$300 million, all of which were available for use as of January 28, 1995. These lines, when needed, are drawn upon or used to backup the Company's commercial paper program. The Company also has uncommitted lines totalling \$115 million of which \$20 million was outstanding as of January 28, 1995. The maximum amount of short-term borrowings outstanding during fiscal 1995, 1994 and 1993 was \$181.5 million, \$133.0 million and \$104.3 million, respectively. Management believes that the Company's internally generated funds along with available short-term credit lines and ability to access external financing sources, are adequate to meet its needs. For further information regarding the Company's long-term debt and capital stock transactions, see Notes A and D to the consolidated financial statements.

Ames Department Stores, Inc. and Related Contingent Liabilities: In October 1988, the Company completed the sale of its former Zayre Stores division to Ames Department Stores, Inc. ("Ames"). Ames filed for protection under Chapter 11 of the Federal Bankruptcy Code in 1990 and emerged from bankruptcy on December 30, 1992.

As of January 28, 1995, the Company has available reserves of \$13.1 million for lease and other contingent liabilities associated with the sale of the Zayre stores to Ames and believes these reserves should be adequate to cover all reasonably expected liabilities that it may incur as a result of the Ames bankruptcy.

The Company remains contingently liable for the leases of most of the former Zayre stores still operated by Ames. The Company also has the potential for recognizing tax benefits, subject to federal income tax considerations, related to a \$140.3 million capital loss carryforward. The capital loss carryforward was created when the Company, as part of the Ames reorganization plan, surrendered the Ames preferred stock it initially received as partial consideration for the sale of the Zayre Stores division.

27

Report of Independent Accountants

COOPERS & LYBRAND L.L.P.

To the Board of Directors of The TJX Companies, Inc.:

We have audited the accompanying consolidated balance sheets of The TJX Companies, Inc. and subsidiaries as of January 28, 1995 and January 29, 1994 and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three fiscal years in the period ended January 28, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles

used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The TJX Companies, Inc. and subsidiaries as of January 28, 1995 and January 29, 1994 and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 28, 1995 in conformity with generally accepted accounting principles.

Boston, Massachusetts  
March 1, 1995

COOPERS & LYBRAND L.L.P.

28

#### Report of Management

The financial statements and related financial information in this annual report have been prepared by management which is responsible for their integrity, objectivity and consistency. The financial statements were prepared in accordance with generally accepted accounting principles and necessarily include amounts which are based upon judgments and estimates made by management.

The Company maintains a system of internal controls designed to provide, at appropriate cost, reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and the accounting records may be relied upon for the preparation of financial statements. The system of controls includes the careful selection and training of associates, and the communication and application of formal policies and procedures that are consistent with high standards of accounting and administrative practices. The accounting and control systems are continually reviewed, evaluated and where appropriate, modified to accommodate changing business conditions and the recommendations of the Company's internal auditors and the independent public accountants.

An Audit Committee, comprised of members of the Board of Directors who are neither officers nor employees of the Company, meets periodically with management, internal auditors and the independent public accountants to review matters relating to the Company's financial reporting, the adequacy of internal accounting controls and the scope and results of audit work. The Committee is responsible for reporting the results of its activities and for recommending the selection of independent auditors to the full Board of Directors. The internal auditors and the independent public accountants have free access to the Committee and the Board of Directors.

The financial statements have been examined by Coopers & Lybrand L.L.P., whose report appears separately. Their report expresses an opinion as to the fair presentation of the consolidated financial statements and is based on an independent examination performed in accordance with generally accepted auditing standards.

Bernard Cammarata  
President and Chief Executive Officer  
March 1, 1995

Donald G. Campbell  
Senior Vice President - Finance and  
Chief Financial Officer

29

	First Quarter In Thousands	Second Quarter Except	Third Quarter Per Share	Fourth Quarter Amounts
Fiscal year ended January 28, 1995				
Net sales	\$851,736	\$866,689	\$1,011,879	\$1,112,514
Gross earnings*	216,022	210,100	260,952	228,632
Net income	19,369	18,796	32,788	11,666
Per common share, fully diluted	.24	.23	.42	.14
Fiscal year ended January 29, 1994				
Net sales	\$785,637	\$841,054	\$ 959,683	\$1,040,230
Gross earnings*	200,231	204,550	262,342	236,655
Income before extraordinary item and cumulative effect of accounting changes	22,657	25,985	47,721	30,683
Per common share, fully diluted	.28	.33	.61	.39
Net income	19,990	25,985	47,721	30,683
Per common share, fully diluted	.25	.33	.61	.39

\* Gross earnings equals net sales less cost of sales, including buying and occupancy costs.

#### Price Range of Common Stock

The common stock of the Company is listed on the New York Stock Exchange (Symbol:TJX). The quarterly high and low stock prices for fiscal 1995 and fiscal 1994 are as follows:

Quarter	Fiscal 1995		Fiscal 1994	
	High	Low	High	Low
First	\$29 3/8	\$22 7/8	\$33 1/4	\$27
Second	24 7/8	18 1/8	34 1/4	26
Third	23 1/4	15 5/8	33 3/8	24 1/2
Fourth	16 1/4	13 3/16	34 1/4	25 3/8

The approximate number of common shareholders at January 28, 1995 was 18,500.

The Company declared four quarterly dividends of \$.14 and \$.125 per common share for fiscal years 1995 and 1994, respectively.

#### Shareholder Information

Transfer Agent and Registrar,  
Common and Series C Preferred Stock  
State Street Bank and Trust Company  
Boston, Massachusetts  
1-800-426-5523

Trustees  
Public Debentures  
9 1/2% Sinking Fund Debentures  
Chase Manhattan Bank  
New York, New York

Auditors  
Coopers & Lybrand L.L.P.

Independent Counsel  
Ropes & Gray

Form 10-K  
Information concerning the Company's  
operations and financial position is provided  
in this report and in the Form 10-K Report  
filed with the Securities and Exchange  
Commission. A copy of the 10-K Report may be  
obtained without charge by writing or

calling:

The TJX Companies, Inc.  
Investor Relations  
770 Cochituate Road  
Framingham, Massachusetts 01701  
(508)390-2323

Annual Meeting

The 1995 annual meeting will be held at 11:00 a.m. on Tuesday, June 6, 1995 in the Enterprise Room, 5th Floor at State Street Bank, 225 Franklin Street, Boston, Massachusetts.

Executive Offices

Framingham, Massachusetts 01701



## SUBSIDIARIES

Operating Subsidiaries	State or Jurisdiction of Incorporation or Organization	Name Under Which Does Business (if Different)
Avon Trading Corp.	Massachusetts	
Hit or Miss Inc.	Delaware	
Chadwick's of Boston, Ltd.	Massachusetts	
Commonwealth Direct Marketing, Inc.	Massachusetts	
Newton Buying Corp.	Delaware	
NBC Distributors Inc.	Massachusetts	
NBC Merchants, Inc.	Indiana	
NBC Charlotte Merchants, Inc.	North Carolina	
NBC Nevada Merchants, Inc.	Nevada	
T.J. Maxx of Illinois, Inc.	Illinois	T.J. Maxx
T.J. Maxx of PA, Inc.	Delaware	T.J. Maxx
T.J. Maxx of Texas, Inc.	Delaware	T.J. Maxx
Winners Apparel Ltd.	Ontario, Canada	
Winners Investments Limited	Ontario, Canada	
Winners Merchants Ltd.	Ontario, Canada	
Strathmex Corp.	Delaware	
HomeGoods, Inc.	Delaware	
H.G. Merchants, Inc.	Massachusetts	
CDM Corp.	Nevada	
NBC Apparel, Inc.	Delaware	
NBC Apparel Limited	United Kingdom	T.K. Maxx

## Leasing Subsidiaries

Cochituate Realty, Inc.	Massachusetts	
NBC First Realty Corp.	Indiana	
NBC Second Realty Corp.	Massachusetts	
NBC Fourth Realty Corp.	Nevada	
NBC Fifth Realty Corp.	Illinois	
NBC Sixth Realty Corp.	North Carolina	
NBC 195 Realty Corp.	New York	

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Bernard Cammarata, Donald G. Campbell and Sumner L. Feldberg and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the form 10-K to be filed by The TJX Companies, Inc. for the fiscal year ended January 28, 1995 and any or all amendments thereto and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Bernard Cammarata  
Bernard Cammarata, President,  
Principal Executive Officer and  
Director

/s/ Donald G. Campbell  
Donald G. Campbell, Senior  
Vice President-Finance,  
Principal Financial and  
Accounting Officer

/s/ Phyllis B. Davis  
Phyllis B. Davis, Director

/s/ Willow B. Shire  
Willow B. Shire, Director

/s/ Stanley H. Feldberg  
Stanley H. Feldberg, Director

/s/ Robert F. Shapiro  
Robert F. Shapiro, Director

/s/ Sumner L. Feldberg  
Sumner L. Feldberg, Director

/s/ Burton S. Stern  
Burton S. Stern, Director

/s/ Arthur F. Loewy  
Arthur F. Loewy, Director

/s/ Fletcher H. Wiley  
Fletcher H. Wiley, Director

/s/ John M. Nelson  
John M. Nelson, Director

/s/ Abraham Zaleznik  
Abraham Zaleznik, Director

Dated: April 4, 1995

This schedule contains summary financial information extracted from the statements of income and balance sheets and is qualified in its entirety by reference to such financial statements

YEAR		
	JAN-28-1995	
	JAN-28-1995	
		41,569,000
		0
	43,440,000	
		0
	937,729,000	
	1,046,197,000	
		865,420,000
	377,595,000	
	1,638,218,000	
758,265,000		
		239,478,000
		72,401,000
		0
		107,500,000
		427,051,000
1,638,218,000		
		3,842,818,000
	3,842,818,000	
		2,927,112,000
	2,927,112,000	
	748,003,000	
		0
	25,893,000	
	141,810,000	
		59,191,000
	82,619,000	
		0
		0
		0
		82,619,000
		1.03
		1.03

## (3i) Articles of Incorporation.

- (a) Second Restated Certificate of Incorporation filed June 5, 1985, is filed herewith.
- (b) Certificate of Amendment of Second Restated Certificate of Incorporation filed June 3, 1986, is filed herewith.
- (c) Certificate of Amendment of Second Restated Certificate of Incorporation filed June 2, 1987, is filed herewith.
- (d) Certificate of Amendment of Second Restated Certificate of Incorporation filed June 20, 1989, is filed herewith.
- (e) Certificate of Designations, Preferences and Rights of New Series A Cumulative Convertible Preferred Stock of the Company is filed herewith.
- (f) Certificate of Designations, Preferences and Rights of \$3.125 Series C Cumulative Convertible Preferred Stock of the Company is filed herewith.

## (3ii) By-laws.

- (a) The by-laws of the Company, as amended, are filed herewith.

## (4) Instruments defining the rights of security holders, including indentures.

- (a) Common and Preferred Stock: See the Second Restated Certificate of Incorporation, as amended (Exhibit (3i) (a)-(f) hereto).
- (b) A composite copy of the Share Purchase Agreements dated as of April 15, 1992 regarding Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 4(c) to the Form 10-K filed for the fiscal year ended January 25, 1992.
- (c) Exchange Agreement dated as of August 6, 1992 between the Company and the holders of New Series A Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 19.1 to the Form 10-Q filed for the quarter ended July 25, 1992. Each other instrument relates to securities the total amount of which does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish to the Securities and Exchange Commission copies of each such instrument not otherwise filed herewith or incorporated herein by reference.

## (10) Material Contracts.

- (a) The Amended and Restated Employment Agreement dated as of April 26, 1988 with Stanley Feldberg is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 30, 1988. The First Amendment to the 1988 Amended and Restated Employment Agreement of Stanley Feldberg dated June 8, 1993 is incorporated herein by reference to Exhibit 10(a) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (b) The Amended and Restated Employment Agreement dated as of June 1, 1989 with Sumner L. Feldberg is incorporated herein by reference to Exhibit 10(b) to the Form 10-K filed for the fiscal year ended January 27, 1990. The First Amendment dated as of December 9, 1992 to Sumner L. Feldberg's Amended and Restated Employment Agreement is incorporated herein by reference to Exhibit 10(b) to the Form 10-K for the fiscal year ended January 30, 1993. \*
- (c) The Employment Agreement dated as of June 1, 1989 with Arthur F. Loewy is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 27, 1990. The Amendment dated as of January 26, 1991 to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 26, 1991.

Amendment No. 2 dated as of January 25, 1992 to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 25, 1992. Amendment No. 3 dated as of January 30, 1993 to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 30, 1993. Amendment No. 4, dated as of January 29, 1994, to Arthur F. Loewy's Employment Agreement is incorporated herein by reference to Exhibit 10(c) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*

- (d) The Employment Agreement dated as of January 30, 1994 with Bernard Cammarata is filed herewith.\*
- (e) The Amended and Restated Employment Agreement dated as of February 1, 1995 with Richard Lesser is filed herewith.\*
- (f) The Amended and Restated Employment Agreement dated as of February 1, 1995 with Donald G. Campbell is filed herewith.\*
- (g) The Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(g) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (h) The 1982 Long Range Management Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(h) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (i) The 1986 Stock Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(i) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (j) The TJX Companies, Inc. Long Range Performance Incentive Plan, as amended, is incorporated herein by reference to Exhibit 10(j) to the Form 10-K filed for the fiscal year ended January 29, 1994. \*
- (k) The General Deferred Compensation Plan, as amended, is incorporated herein by reference to Exhibit 10(n) to the Form 10-K filed for the fiscal year ended January 27, 1990. \*
- (l) The Supplemental Executive Retirement Plan, as amended, is incorporated herein by reference to Exhibit 10(l) to the Form 10-K filed for the fiscal year ended January 25, 1992. \*
- (m) The 1993 Stock Option Plan for Non-Employee Directors is incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed for the quarter ended May 1, 1993. \*
- (n) The Retirement Plan for Directors, as amended, is incorporated herein by reference to Exhibit 10.2 to the Form 10-Q filed for the quarter ended May 1, 1993. \*
- (o) The form of Indemnification Agreement between the Company and each of its officers and directors is incorporated herein by reference to Exhibit 10(r) to the Form 10-K filed for the fiscal year ended January 27, 1990. \*
- (p) The Trust Agreement dated as of April 8, 1988 between the Company and State Street Bank and Trust Company is incorporated herein by reference to Exhibit 10(y) to the Form 10-K filed for the fiscal year ended January 30, 1988. \*
- (q) The Trust Agreement dated as of April 8, 1988 between the Company and Shawmut Bank of Boston, N.A. is incorporated herein by reference to Exhibit 10(z) to the Form 10-K filed for the fiscal year ended January 30, 1988. \*
- (r) The Distribution Agreement dated as of May 1, 1989 between the Company and Waban Inc. is incorporated herein by reference to Exhibit 3 to the Company's Current Report on Form 8-K dated June 21, 1989.
- (s) The Services Agreement between the Company and Waban Inc. dated as of May 1, 1989 is incorporated herein by reference to Exhibit 4 to the Company's Current

Report on Form 8-K dated June 21, 1989. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(dd) to the Form 10-K filed for fiscal year ended January 27, 1990. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(z) to the Form 10-K filed for fiscal year ended January 26, 1991. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(x) to the Form 10-K filed for the fiscal year ended January 25, 1992. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(s) to the Form 10-K filed for fiscal year ended January 30, 1993. Correspondence related to the Services Agreement is incorporated herein by reference to Exhibit 10(s) to the Form 10-K filed for the fiscal year ended January 30, 1994.

- (t) The Agreement between the Company and Waban Inc. related to computer services dated as of January 29, 1995 is filed herewith.
- (u) The Executive Services Agreement between the Company and Waban Inc. dated as of June 1, 1989, with respect to the services of Sumner L. Feldberg is incorporated herein by reference to Exhibit 10(ff) to the Form 10-K filed for the fiscal year ended January 27, 1990.
- (v) The Executive Services Agreement between the Company and Waban Inc. dated as of June 1, 1989, with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(gg) to the Form 10-K filed for the fiscal year ended January 27, 1990. Amendment dated as of January 26, 1991 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(cc) to Form 10-K filed for the fiscal year ended January 26, 1991. Amendment No. 2 dated as of January 25, 1992 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(aa) to the Form 10-K filed for the fiscal year ended January 25, 1992. Amendment No. 3 dated as of January 30, 1993 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(u) to Form 10-K filed for the fiscal year ended January 30, 1993. Amendment No. 4 dated as of January 29, 1994 to Executive Services Agreement between the Company and Waban Inc. with respect to the services of Arthur F. Loewy is incorporated herein by reference to Exhibit 10(u) to the Form 10-K filed for the fiscal year ended January 29, 1994.
- (w) The Agreement dated as of July 5, 1989 between the Company and Waban Inc. is incorporated herein by reference to Exhibit 10(hh) to the Form 10-K filed for the fiscal year ended January 27, 1990.

- (11) Statement re computation of per share earnings.

This statement is filed herewith.

- (13) Annual Report to security holders.

Portions of the Annual Report to Stockholders for the fiscal year ended January 28, 1995 are filed herewith.

- (21) Subsidiaries.

A list of the Registrant's subsidiaries is filed herewith.

- (23) Consents of experts and counsel.

The Consent of Coopers & Lybrand is contained on Page F-2 of the Financial Statements filed herewith.

- (24) Power of Attorney.

The Power of Attorney given by the Directors and certain Executive Officers of the Company is filed herewith.

