

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

(mark one)

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

For the quarterly period ended November 3, 2018

OR

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

For the transition period from _____ to _____

Commission file number 1-4908

The TJX Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-2207613
(I.R.S. Employer
Identification No.)

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

01701
(Zip Code)

(508) 390-1000

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The number of shares of registrant's common stock outstanding as of November 3, 2018: 1,233,145,248

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	\$ 9,825,759	\$ 8,762,220	\$ 27,845,594	\$ 24,903,944
Cost of sales, including buying and occupancy costs	6,983,483	6,150,020	19,797,537	17,652,767
Selling, general and administrative expenses	1,756,448	1,584,219	5,006,937	4,479,470
Pension settlement charge	36,122	—	36,122	—
Interest expense, net	3,188	7,981	10,365	27,499
Income before provision for income taxes	1,046,518	1,020,000	2,994,633	2,744,208
Provision for income taxes	284,265	378,564	776,373	1,013,536
Net income	\$ 762,253	\$ 641,436	\$ 2,218,260	\$ 1,730,672
Basic earnings per share:				
Net income	\$ 0.62	\$ 0.51	\$ 1.78	\$ 1.35
Weighted average common shares – basic	1,236,842	1,268,044	1,245,639	1,278,383
Diluted earnings per share:				
Net income	\$ 0.61	\$ 0.50	\$ 1.75	\$ 1.33
Weighted average common shares – diluted	1,257,562	1,285,762	1,264,100	1,297,344

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

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
IN THOUSANDS

	Thirteen Weeks Ended	
	November 3, 2018	October 28, 2017
Net income	\$ 762,253	\$ 641,436
Additions to other comprehensive income:		
Foreign currency translation adjustments, net of related tax provision of \$143 in fiscal 2019 and benefit of \$18,110 in fiscal 2018	(18,055)	(46,029)
Recognition of net gains/losses on benefit obligations, net of related tax benefit of \$1,867 in fiscal year 2019 (See Note H)	(5,128)	—
Reclassifications from other comprehensive income to net income:		
Pension settlement charge, net of related tax provision of \$9,641 in fiscal 2019	26,481	—
Amortization of prior service cost and deferred gains, net of related tax provisions of \$1,109 in fiscal 2019 and \$2,414 in fiscal 2018	3,047	3,669
Amortization of loss on cash flow hedge, net of related tax provisions of \$76 in fiscal 2019 and \$112 in fiscal 2018	208	171
Other comprehensive income (loss), net of tax	6,553	(42,189)
Total comprehensive income	\$ 768,806	\$ 599,247

	Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017
Net income	\$ 2,218,260	\$ 1,730,672
Additions to other comprehensive income:		
Foreign currency translation adjustments, net of related tax benefits of \$13,582 in fiscal 2019 and tax provision of \$16,212 in fiscal 2018	(200,319)	79,393
Gain on net investment hedges, net of related tax provision of \$7,113 in fiscal 2019	19,539	—
Recognition of net gains/losses on benefit obligations, net of related tax benefit of \$1,867 in fiscal year 2019 (See Note H)	(5,128)	—
Reclassifications from other comprehensive income to net income:		
Pension settlement charge, net of related tax provision of \$9,641 in fiscal 2019	26,481	—
Amortization of prior service cost and deferred gains, net of related tax provisions of \$3,210 in fiscal 2019 and \$7,500 in fiscal 2018	8,817	11,401
Amortization of loss on cash flow hedge, net of related tax provisions of \$228 in fiscal 2019 and \$337 in fiscal 2018	622	513
Other comprehensive (loss) income, net of tax	(149,988)	91,307
Total comprehensive income	\$ 2,068,272	\$ 1,821,979

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

THE TJX COMPANIES, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
IN THOUSANDS, EXCEPT SHARE DATA

	November 3, 2018	February 3, 2018	October 28, 2017
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,711,767	\$ 2,758,477	\$ 2,364,244
Short-term investments	—	506,165	511,618
Accounts receivable, net	419,790	327,166	345,866
Merchandise inventories	5,543,413	4,187,243	4,725,850
Prepaid expenses and other current assets	544,427	706,676	422,719
Federal, state, and foreign income taxes recoverable	97,616	—	19,737
Total current assets	9,317,013	8,485,727	8,390,034
Net property at cost	5,165,875	5,006,053	4,858,284
Goodwill	97,348	100,069	196,365
Other assets	445,006	466,166	433,012
TOTAL ASSETS	\$ 15,025,242	\$ 14,058,015	\$ 13,877,695
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,340,596	\$ 2,488,373	\$ 2,986,374
Accrued expenses and other current liabilities	2,594,561	2,522,961	2,361,422
Federal, state and foreign income taxes payable	78,668	114,203	120,185
Total current liabilities	6,013,825	5,125,537	5,467,981
Other long-term liabilities	1,284,911	1,320,505	1,159,975
Non-current deferred income taxes, net	236,769	233,057	374,276
Long-term debt	2,232,864	2,230,607	2,229,855
Commitments and contingencies (See Note K)			
SHAREHOLDERS' EQUITY			
Preferred stock, authorized 5,000,000 shares, par value \$1, no shares issued	—	—	—
Common stock, authorized 1,800,000,000 shares, par value \$1, issued and outstanding 1,233,145,248; 1,256,018,044 and 1,264,605,010 respectively	1,233,145	1,256,018	1,264,605
Additional paid-in capital	—	—	—
Accumulated other comprehensive (loss)	(591,847)	(441,859)	(602,919)
Retained earnings	4,615,575	4,334,150	3,983,922
Total shareholders' equity	5,256,873	5,148,309	4,645,608
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 15,025,242	\$ 14,058,015	\$ 13,877,695

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

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

	Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017
Operating Activities		
Net income	\$ 2,218,260	\$ 1,730,672
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	601,227	532,424
Loss on property disposals and impairment charges	14,574	2,209
Pension settlement charge	36,122	—
Deferred income tax (benefit) provision	(15,630)	35,802
Share-based compensation	77,353	77,152
Changes in assets and liabilities:		
(Increase) in accounts receivable	(97,891)	(84,403)
(Increase) in merchandise inventories	(1,442,577)	(1,042,664)
(Increase) in income taxes recoverable	(69,372)	(3,902)
Decrease (increase) in prepaid expenses and other current assets	194,160	(50,357)
Increase in accounts payable	902,502	733,340
Increase in accrued expenses and other liabilities	97,696	83,082
(Decrease) in income taxes payable	(33,292)	(86,842)
Other	(5,375)	2,910
Net cash provided by operating activities	2,477,757	1,929,423
Investing Activities		
Property additions	(872,963)	(827,529)
Purchase of investments	(157,198)	(630,079)
Sales and maturities of investments	634,288	658,225
Other	26,653	—
Net cash (used in) investing activities	(369,220)	(799,383)
Financing Activities		
Cash payments for repurchase of common stock	(1,591,392)	(1,238,982)
Proceeds from issuance of common stock	239,608	89,198
Cash dividends paid	(682,322)	(566,949)
Cash payments of employee tax withholdings for performance based stock awards	(16,014)	(16,823)
Other	(5,409)	(2,312)
Net cash (used in) financing activities	(2,055,529)	(1,735,868)
Effect of exchange rate changes on cash	(99,718)	40,223
Net decrease in cash and cash equivalents	(46,710)	(565,605)
Cash and cash equivalents at beginning of year	2,758,477	2,929,849
Cash and cash equivalents at end of period	\$ 2,711,767	\$ 2,364,244

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

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

	Common Stock		Additional Paid- In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, February 3, 2018	1,256,018	\$ 1,256,018	\$ —	\$ (441,859)	\$ 4,334,150	\$ 5,148,309
Net income	—	—	—	—	2,218,260	2,218,260
Cumulative effect of accounting change (See Note A)	—	—	—	—	58,712	58,712
Other comprehensive income (loss), net of tax	—	—	—	(149,988)	—	(149,988)
Cash dividends declared on common stock	—	—	—	—	(727,975)	(727,975)
Recognition of share-based compensation	—	—	77,353	—	—	77,353
Issuance of common stock under Stock Incentive Plan, net of shares used to pay tax withholdings	11,030	11,030	218,079	—	(5,515)	223,594
Common stock repurchased and retired	(33,903)	(33,903)	(295,432)	—	(1,262,057)	(1,591,392)
Balance, November 3, 2018	1,233,145	\$ 1,233,145	\$ —	\$ (591,847)	\$ 4,615,575	\$ 5,256,873

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

THE TJX COMPANIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements and Notes thereto have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. These Consolidated Financial Statements and Notes thereto are unaudited and, in the opinion of management, reflect all normal recurring adjustments, accruals and deferrals among periods required to match costs properly with the related revenue or activity, considered necessary by The TJX Companies, Inc. (together with its subsidiaries, “TJX”) for a fair statement of its financial statements for the periods reported, all in conformity with GAAP consistently applied. The Consolidated Financial Statements and Notes thereto should be read in conjunction with the audited consolidated financial statements, including the related notes, contained in TJX’s Annual Report on Form 10-K for the fiscal year ended February 3, 2018 (“fiscal 2018”).

These interim results are not necessarily indicative of results for the full fiscal year. TJX’s business, in common with the businesses of retailers generally, is subject to seasonal influences, with higher levels of sales and income generally realized in the second half of the year.

The February 3, 2018 balance sheet data was derived from audited financial statements and does not include all disclosures required by GAAP.

Fiscal Year

TJX’s fiscal year ends on the Saturday nearest to the last day of January of each year. The current fiscal year ends February 2, 2019 (“fiscal 2019”) and is a 52-week fiscal year. Fiscal 2018 was a 53-week fiscal year.

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. TJX considers its accounting policies relating to inventory valuation, impairment of long-lived assets, goodwill and tradenames, retirement obligations, share-based compensation, casualty insurance, reserves for uncertain tax positions and loss contingencies to be the most significant accounting policies that involve management estimates and judgments. Actual amounts could differ from those estimates, and such differences could be material.

Reclassifications

As a result of a two-for-one stock split in the form of a dividend to shareholders of record as of October 30, 2018, certain amounts in prior years’ Consolidated Financial Statements have been retroactively adjusted to conform to the current year presentation. As such, all share activity, earnings per share and dividends per share amounts have been adjusted to reflect the two-for-one stock split. See Note D—Capital Stock and Earnings per Share for additional information.

Summary of Accounting Policies

Revenue Recognition

TJX adopted *Revenue from Contracts with Customers* (referred to as “ASC 606”), on February 4, 2018 (“the adoption date”). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. TJX adopted the new guidance under the modified retrospective approach which resulted in a \$59 million cumulative adjustment to increase retained earnings. The cumulative adjustment primarily related to revenue recognized on the value of unredeemed rewards certificates issued to customers as part of the Company’s U.S. co-branded credit card loyalty program. We now recognize the estimated unredeemed awards when they are earned, rather than when merchandise credits expire or when the likelihood of redemption becomes remote. In addition, on-line sales are now recognized at the shipping point rather than receipt by the customer.

Other changes relate to the presentation of revenue as certain expenses previously presented as a reduction of revenue are now classified as selling, general and administrative expenses (“SG&A”). The new standard required a change in the presentation of our sales return reserve on the balance sheet, which we previously recorded net of the value of returned merchandise and now is presented at gross sales value with an asset established for the value of the merchandise returned. There is no change in the timing or amount of revenue recognized from point of sale at the registers in our stores, which constitutes the majority of the Company’s revenue.

Financial results for fiscal periods after the adoption date are presented under ASC 606 while results from prior periods are not adjusted and continue to be reported under the accounting standards in effect for the prior period. We applied ASC 606 only to contracts that were not completed prior to fiscal 2019. Adoption of the new guidance resulted in additional disclosure requirements and did not have a material impact on our financial condition or results of operations for the fiscal period ended November 3, 2018.

Net Sales

Net sales consist primarily of merchandise sales, which are recorded net of a reserve for estimated returns, any discounts and sales taxes, related to the sales of merchandise both within our stores and online. Net sales also include an immaterial amount of other revenues that represent less than 1.0% of total revenues, primarily generated from TJX's co-branded loyalty rewards credit card program offered in the United States only. In addition, certain customers may receive discounts that are accounted for as consideration reducing the transaction price. Merchandise sales from our stores are recognized at the point of sale when TJX provides the merchandise to the customer. The performance obligation is fulfilled at this point when the customer has obtained control by paying for and leaving with the merchandise. Merchandise sales made online are recognized when the product has been shipped, which is when legal title has passed and when TJX is entitled to payment, and the customer has obtained the ability to direct the use of and obtain substantially all of the remaining benefits from the goods. Shipping and handling activities related to online sales occur after the customer obtains control of the goods. TJX's policy is to treat shipping costs as part of our fulfillment center costs within our operating expenditures. As a result, shipping fee revenues received is recognized when control of the goods transfer to the customer and is recorded as net sales. Shipping and handling costs incurred by TJX are included in cost of sales, including buying and occupancy costs. TJX disaggregates revenue by operating segment, see Note G—Segment Information.

Deferred Gift Card Revenue

Proceeds from the sale of gift cards as well as the value of store cards issued to customers as a result of a return or exchange are deferred until the customers use the cards to acquire merchandise, as TJX does not fulfill its performance obligation until the gift card has been redeemed. While gift cards have an indefinite life, substantially all are redeemed in the first year of issuance. Based on historical experience, we estimate the amount of gift cards and store cards that will not be redeemed and, to the extent allowed by local law, these amounts are amortized into income over the redemption period.

In thousands	November 3, 2018
Balance, February 3, 2018	\$ 406,506
Deferred revenue	1,096,333
Effect of exchange rates changes on deferred revenue	(6,561)
Revenue recognized	(1,138,507)
Balance, November 3, 2018	\$ 357,771

TJX recognized \$1.1 billion in gift card revenue for the nine months ended November 3, 2018. Gift cards are combined in one homogeneous pool and are not separately identifiable. As such, the revenue recognized consists of gift cards that were part of the deferred revenue balance at the beginning of the period as well as gift cards that were issued during the period.

Sales Return Reserve

Our products are generally sold with a right of return and we may provide other credits or incentives, which are accounted for as variable consideration when estimating the amount of revenue to recognize. We have elected to apply the portfolio practical expedient and are estimating the variable consideration using the expected value method when calculating the returns reserve, as the difference to applying it to the individual contract would not differ materially. Returns are estimated based on historical experience and are required to be established and presented at the gross sales value with an asset established for the estimated value of the merchandise returned separate from the refund liability. Liabilities for return allowances are included in "Accrued expenses and other current liabilities" and the offsetting receivable is included in "Prepaid expenses and other current assets" on our consolidated balance sheets.

Goodwill

Goodwill includes the excess of the purchase price paid over the carrying value of the minority interest acquired in fiscal 1990 in TJX's former 83%-owned subsidiary and represents goodwill associated with the T.J. Maxx chain, as well as the excess of cost over the estimated fair market value of the net assets acquired by TJX in the purchase of Winners in fiscal 1991, the purchase of Sierra Trading Post ("STP") in fiscal 2013, and the purchase of Trade Secret in fiscal 2016, which was re-branded under the T.K. Maxx name during fiscal 2018. The following is a roll forward of goodwill by component:

In thousands	Marmaxx	Winners	Sierra Trading Post	T.K. Maxx in Australia	Total
Balance, January 28, 2017	\$ 70,027	\$ 1,686	\$ 97,254	\$ 26,904	\$ 195,871
Impairment	—	—	(97,254)	—	(97,254)
Effect of exchange rate changes on goodwill	—	98	—	1,354	1,452
Balance, February 3, 2018	70,027	1,784	—	28,258	100,069
Effect of exchange rate changes on goodwill	—	(93)	—	(2,628)	(2,721)
Balance, November 3, 2018	\$ 70,027	\$ 1,691	\$ —	\$ 25,630	\$ 97,348

Goodwill is considered to have an indefinite life and accordingly is not amortized. In the fourth quarter of fiscal 2018, the Company recorded an impairment charge of \$99.3 million, which included \$97.3 million of STP goodwill and \$2.0 million for certain long-lived assets of STP, as the estimated fair value of the STP business fell below its carrying value due to a decrease in projected revenue growth rates. The impairment charge is included within the Marmaxx segment results. Goodwill, and the related impairments, if any, are included in the respective operating segment to which they relate.

Future Adoption of New Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued updated guidance on leases to increase transparency and comparability among organizations by requiring lessees to recognize right of use assets and lease liabilities on the balance sheet and requiring disclosure of key information about leasing arrangements. The new standard is effective for annual periods beginning after December 15, 2018, and interim periods within those annual periods; early adoption is permitted. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which allows entities to apply the transition requirements at the effective date rather than at the beginning of the earliest comparative period presented as previously required. The effect of initially applying the standard can be recognized as a cumulative-effect adjustment to retained earnings in the period of adoption and an entity's reporting for the comparative periods presented in the year of adoption would continue to be in accordance with ASC 840, *Leases (Topic 840)* ("ASC 840"), including the disclosure requirements of ASC 840. If the new transition method in ASU 2018-11 is not elected, the new standard must be adopted using a modified retrospective transition and requires application of the new guidance for leases that exist or are entered into after the beginning of the earliest comparative period presented. The Company plans to adopt this standard in the first quarter of the fiscal year ending February 1, 2020 ("fiscal 2020") using the optional transition method under ASU 2018-11.

The Company is in the process of implementing a new lease accounting system and has established a cross-functional team to implement the updated lease guidance. This team is in the process of evaluating our lease portfolio to assess the impact this standard will have on our Consolidated Financial Statements and Notes thereto. The Company has determined that the initial lease term will not differ under the new standard versus current accounting practice, and therefore the income statement impact of the new standard is not expected to be material. Any impact to the income statement would be the result of the timing of expense recognition and would not be incremental over the term of the lease. For example, under ASC 842 certain initial direct costs will no longer be capitalized and amortized over the lease term and will be expensed as incurred. In addition, in certain instances, the cost of our renewal options may be recognized earlier in the life of the lease than under the existing lease accounting rules. The Company expects this standard will have a material impact on its Consolidated Balance Sheet as it will record a significant asset and liability associated with its nearly 4,300 leased locations. The Company plans to implement the transition package of three practical expedients permitted within the standard, which among other things, allows for the carryforward of historical lease classifications. The Company expects to make an accounting policy election that will keep leases with a term of 12 months or less off the balance sheet and result in recognizing those lease payments on a straight-line basis over the lease term. As our leases do not provide an implicit rate, nor is it readily available, we plan to use our incremental borrowing rate based on information available at commencement date to determine the present value of future payments.

Hedging Activities

In August 2017, the FASB issued updated guidance on hedge accounting. The updates allow hedge accounting for new types of interest rate hedges of financial instruments and simplify the documentation requirements to qualify for hedge accounting. In addition, any gain or loss from hedge ineffectiveness will be reported in the same income statement line with the effective hedge results and the hedged transaction. The updated guidance is effective for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company does not anticipate this pronouncement will have a material impact on its consolidated financial statements.

Income Statement – Reporting Comprehensive Income

In February 2018, the FASB issued updated guidance related to reporting comprehensive income. The updated guidance allows for a one-time reclassification from accumulated other comprehensive income to retained earnings for stranded tax effect resulting from the enactment of the Tax Cuts and Jobs Act of 2017 (the “2017 Tax Act”). The updated guidance is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted, including adoption in any interim period for reporting periods for which financial statements have not yet been issued. The updated guidance should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the 2017 Tax Act is recognized. The Company has not yet determined the timing of adoption or estimated the effect on its consolidated financial statements.

Non-Employee Share-Based Payments

In June 2018, the FASB issued updated guidance related to compensation - stock compensation: Improvements to Non-Employee Share-Based Payment Accounting. The updated guidance aligns the measurement and classification guidance for share-based payments to non-employees with the guidance for share-based payments to employees, with certain exceptions. The amendments in this ASU will be effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company does not anticipate this pronouncement will have an impact on its consolidated financial statements.

Intangibles-Goodwill and Other-Internal-Use Software

In August 2018, the FASB issued guidance related to accounting for implementation costs incurred in a cloud computing arrangement that is a service contract. The standard allows entities who are customers in hosting arrangements that are service contracts to apply the existing internal-use software guidance to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. The guidance specifies classification for capitalizing implementation costs and related amortization expense within the financial statements and requires additional disclosures. The guidance will be effective for annual reporting periods, including interim reporting within those periods, beginning after December 15, 2019. Early adoption is permitted and can be applied either retrospectively or prospectively. The Company is currently evaluating the transition methods and the impact of the adoption of this standard on its consolidated financial statements.

Fair Value Measurement Disclosure Framework

In August 2018, the FASB issued guidance related to changes to the disclosure requirements for fair value measurements. This ASU modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The primary focus of the guidance is to improve the effectiveness of the disclosure requirements for fair value measurements. In general, the amendments are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted for the removed disclosures and delayed adoption until fiscal year 2021 permitted for the new disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. The Company is currently evaluating the potential effects of the pronouncement on its disclosure requirements.

Compensation Retirement Defined Benefit Plans Disclosure Framework

In August 2018, the FASB issued guidance related to changes to the disclosure requirements for defined benefit plans. This ASU removes certain disclosures that are not considered cost beneficial, clarifies certain required disclosures and requires certain additional disclosures. The standard is effective on a retrospective basis for fiscal years ending after December 15, 2020, with early adoption permitted. The Company is currently evaluating the impact of the pronouncement on its disclosure requirements.

Recently Adopted Accounting Standards

Revenue Recognition

See Revenue Recognition in this Note A for the impact upon adoption.

Cash Flows

In the first quarter of fiscal 2019, TJX adopted a pronouncement that addresses differences in the way certain cash receipts and cash payments are presented in the statement of cash flows. The new guidance provides clarity around the cash flow classification for eight specific issues in an effort to reduce the current and potential future differences in practice. The standard did not have a material impact on our consolidated statements of cash flows.

Retirement Benefits

In the first quarter of fiscal 2019, TJX adopted a pronouncement related to retirement benefits, which requires that an employer report the service cost component of net periodic pension and net periodic post retirement cost in the same line item as other compensation costs arising from services rendered by the employees during the period. It also requires the other components of net periodic pension and net periodic postretirement benefit cost to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if such a subtotal is presented. The amendments in this update were applied retrospectively for the presentation of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost in the income statement. The impact to prior periods was immaterial. As a result of the adoption, for the three and nine months ended November 3, 2018, service costs are recorded in the same line items as other compensation costs and non-service costs are recorded in SG&A in our income statement.

Income Taxes

In the first quarter of fiscal 2019, TJX adopted *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118* (referred to as "ASU 2018-05"), which provides guidance on accounting for the tax effects of the 2017 Tax Act. This guidance allows a company to record a provisional amount when it does not have the necessary information available, prepared, or analyzed in reasonable detail to complete its accounting for the change in the tax law during the measurement period. The measurement period ends when the company has obtained, prepared, and analyzed the information necessary to finalize its accounting, but cannot extend beyond one year. We will continue to assess our provision for income taxes as future guidance is issued.

Note B. Property at Cost

The following table presents the components of property at cost:

In thousands	November 3, 2018	February 3, 2018	October 28, 2017
Land and buildings	\$ 1,423,528	\$ 1,355,777	\$ 1,294,992
Leasehold costs and improvements	3,318,857	3,254,830	3,145,922
Furniture, fixtures and equipment	5,728,827	5,357,701	5,172,488
Total property at cost	\$ 10,471,212	\$ 9,968,308	\$ 9,613,402
Less accumulated depreciation and amortization	5,305,337	4,962,255	4,755,118
Net property at cost	\$ 5,165,875	\$ 5,006,053	\$ 4,858,284

Depreciation expense was \$203.6 million for the three months ended November 3, 2018 and \$186.9 million for the three months ended October 28, 2017.

Depreciation expense was \$601.5 million for the nine months ended November 3, 2018 and \$534.0 million for the nine months ended October 28, 2017.

Depreciation expense was \$726.0 million for the twelve months ended February 3, 2018.

Note C. Accumulated Other Comprehensive Income (Loss)

Amounts included in accumulated other comprehensive income (loss) are recorded net of taxes. The following table details the changes in accumulated other comprehensive income (loss) for the nine months ended November 3, 2018:

In thousands	Foreign Currency Translation	Deferred Benefit Costs	Cash Flow Hedge on Debt	Accumulated Other Comprehensive Income (Loss)
Balance, January 28, 2017	\$ (491,803)	\$ (199,481)	\$ (2,942)	\$ (694,226)
Additions to other comprehensive income:				
Foreign currency translation adjustments (net of taxes of \$16,212)	79,393	—	—	79,393
Reclassifications from other comprehensive income to net income:				
Amortization of loss on cash flow hedge (net of taxes of \$337)	—	—	513	513
Amortization of prior service cost and deferred gains/losses (net of taxes of \$7,500)	—	11,401	—	11,401
Balance, October 28, 2017	\$ (412,410)	\$ (188,080)	\$ (2,429)	\$ (602,919)
Balance, February 3, 2018	\$ (280,051)	\$ (159,562)	\$ (2,246)	\$ (441,859)
Additions to other comprehensive income:				
Foreign currency translation adjustments (net of taxes of \$13,582)	(200,319)	—	—	(200,319)
Net investment hedges (net of taxes of \$7,113)	19,539	—	—	19,539
Recognition of net gains/losses on benefit obligations, (net of taxes of \$1,867)	—	(5,128)	—	(5,128)
Reclassifications from other comprehensive income to net income:				
Pension settlement charge (net of taxes of \$9,641)	—	26,481	—	26,481
Amortization of prior service cost and deferred gains (net of taxes of \$3,210)	—	8,817	—	8,817
Amortization of loss on cash flow hedge (net of taxes of \$228)	—	—	622	622
Balance, November 3, 2018	\$ (460,831)	\$ (129,392)	\$ (1,624)	\$ (591,847)

Note D. Capital Stock and Earnings Per Share

Capital Stock

On September 17, 2018, TJX announced that its Board of Directors approved a two-for-one stock split of its common stock in the form of a stock dividend. The split was subject to shareholder approval of an increase in the number of authorized shares of common stock. On October 22, 2018 the shareholders approved an increase in the number of authorized shares of common stock by 0.6 billion to 1.8 billion. One additional share was paid for each share held by the holders of record as of the close of business on October 30, 2018. The shares were distributed on November 6, 2018 and resulted in an issuance of 617 million shares of common stock. The balance sheet as of November 3, 2018 and all periods presented have been adjusted to retroactively present the two-for-one stock split. As of November 3, 2018, all historical per share amounts and references to the common stock activity, as well as basic and diluted share amounts utilized in the calculation of earnings per share and dividends per share, have been adjusted to reflect the stock split.

TJX repurchased and retired 11.4 million shares of its common stock at a cost of \$0.6 billion during the quarter ended November 3, 2018, on a “trade date” basis. During the nine months ended November 3, 2018, TJX repurchased and retired 34.0 million shares of its common stock at a cost of \$1.6 billion, on a “trade date” basis. TJX reflects stock repurchases in its financial statements on a “settlement date” or cash basis. TJX had cash expenditures under repurchase programs of \$1.6 billion for the nine months ended November 3, 2018, and \$1.2 billion for the nine months ended October 28, 2017. These expenditures were funded by cash generated from operations.

In February 2017, TJX announced that its Board of Directors had approved an additional stock repurchase program that authorized the repurchase of up to \$1.0 billion of TJX common stock from time to time. Under this program, which was completed during the third quarter of fiscal 2019, TJX repurchased 21.9 million shares of common stock at a cost of \$1.0 billion, on a “trade date” basis.

In February 2018, TJX announced that its Board of Directors had approved an additional stock repurchase program that authorized the repurchase of up to \$3.0 billion of TJX common stock from time to time. Under this program, on a “trade date” basis through November 3, 2018, TJX repurchased 8.6 million shares of common stock at a cost of \$464 million. As of November 3, 2018, TJX had \$2.5 billion available under the stock repurchase program announced in February, 2018.

All shares repurchased under the stock repurchase programs have been retired.

Earnings Per Share

The following table presents the calculation of basic and diluted earnings per share (“EPS”) for net income:

In thousands, except per share data	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
<i>Basic earnings per share</i>				
Net income	\$ 762,253	\$ 641,436	\$ 2,218,260	\$ 1,730,672
Weighted average common shares outstanding for basic EPS	1,236,842	1,268,044	1,245,639	1,278,383
Basic earnings per share	\$ 0.62	\$ 0.51	\$ 1.78	\$ 1.35
<i>Diluted earnings per share</i>				
Net income	\$ 762,253	\$ 641,436	\$ 2,218,260	\$ 1,730,672
Shares for basic and diluted earnings per share calculations:				
Weighted average common shares outstanding for basic EPS	1,236,842	1,268,044	1,245,639	1,278,383
Assumed exercise/vesting of:				
Stock options and awards	20,720	17,718	18,461	18,961
Weighted average common shares outstanding for diluted EPS	1,257,562	1,285,762	1,264,100	1,297,344
Diluted earnings per share	\$ 0.61	\$ 0.50	\$ 1.75	\$ 1.33
Cash dividends declared per share	\$ 0.195	\$ 0.156	\$ 0.585	\$ 0.469

The weighted average common shares for the diluted earnings per share calculation exclude the impact of outstanding stock options if the assumed proceeds per share of the option is in excess of the average price of TJX’s common stock for the related fiscal periods. Such options are excluded because they would have an antidilutive effect. There were 6.1 million such options excluded for each of the thirteen weeks and thirty-nine weeks ended November 3, 2018. There were 25.2 million such options excluded for the thirteen weeks and thirty-nine weeks ended October 28, 2017.

Note E. Financial Instruments

As a result of its operating and financing activities, TJX is exposed to market risks from changes in interest and foreign currency exchange rates and fuel costs. These market risks may adversely affect TJX’s operating results and financial position. TJX seeks to minimize risk from changes in interest and foreign currency exchange rates and fuel costs through the use of derivative financial instruments when and to the extent deemed appropriate. TJX does not use derivative financial instruments for trading or other speculative purposes and does not use any leveraged derivative financial instruments. TJX recognizes all derivative instruments as either assets or liabilities in the statements of financial position and measures those instruments at fair value. The fair values of the derivatives are classified as assets or liabilities, current or non-current, based upon valuation results and settlement dates of the individual contracts. Changes to the fair value of derivative contracts that do not qualify for hedge accounting are reported in earnings in the period of the change. For derivatives that qualify for hedge accounting, changes in the fair value of the derivatives are either recorded in shareholders’ equity as a component of other comprehensive income or are recognized currently in earnings, along with an offsetting adjustment against the basis of the item being hedged.

Diesel Fuel Contracts

TJX hedges portions of its estimated notional diesel requirements based on the diesel fuel expected to be consumed by independent freight carriers transporting TJX's inventory. Independent freight carriers transporting TJX's inventory charge TJX a mileage surcharge based on the price of diesel fuel. The hedge agreements are designed to mitigate the volatility of diesel fuel pricing (and the resulting per mile surcharges payable by TJX) by setting a fixed price per gallon for the period being hedged. During fiscal 2018, TJX entered into agreements to hedge a portion of its estimated notional diesel requirements for fiscal 2019, and during the first nine months of fiscal 2019, TJX entered into agreements to hedge a portion of its estimated notional diesel requirements for the first nine months of fiscal 2020. The hedge agreements outstanding at November 3, 2018 relate to approximately 46% of TJX's estimated notional diesel requirements for the remainder of fiscal 2019 and approximately 28% of TJX's estimated notional diesel requirements for the first nine months of fiscal 2020. These diesel fuel hedge agreements will settle throughout the remainder of fiscal 2019 and throughout the first ten months of fiscal 2020. TJX elected not to apply hedge accounting to these contracts.

Foreign Currency Contracts

TJX enters into forward foreign currency exchange contracts to obtain economic hedges on portions of merchandise purchases made and anticipated to be made by the Company's operations in TJX International (United Kingdom, Ireland, Germany, Poland, Austria, The Netherlands and Australia), TJX Canada (Canada), Marmaxx (U.S.) and HomeGoods (U.S.) in currencies other than their respective functional currencies. These contracts typically have a term of twelve months or less. The contracts outstanding at November 3, 2018 cover a portion of such actual and anticipated merchandise purchases throughout the remainder of fiscal 2019 and throughout the first half of fiscal 2020. Additionally, TJX's operations in Europe are subject to foreign currency exposure as a result of their buying function being centralized in the United Kingdom. All merchandise is purchased centrally in the U.K. and then shipped and billed to the retail entities in other countries. This intercompany billing to TJX's European businesses' Euro denominated operations creates exposure to the central buying entity for changes in the exchange rate between the Euro and British Pound. The inflow of Euros to the central buying entity provides a natural hedge for merchandise purchased from third-party vendors that is denominated in Euros. However, with the growth of TJX's Euro denominated retail operations, the intercompany billings committed to the Euro denominated operations is generating Euros in excess of those needed to meet merchandise commitments to outside vendors. TJX calculates this excess Euro exposure each month and enters into forward contracts of approximately 30 days duration to mitigate the exposure. TJX elected not to apply hedge accounting to these contracts.

TJX also enters into derivative contracts, generally designated as fair value hedges, to hedge intercompany debt and intercompany interest payable. The changes in fair value of these contracts are recorded in selling, general and administrative expenses and are offset by marking the underlying item to fair value in the same period. Upon settlement, the realized gains and losses on these contracts are offset by the realized gains and losses of the underlying item in selling, general and administrative expenses.

TJX periodically reviews its net investments in foreign subsidiaries. During the fiscal quarter ended May 5, 2018, TJX entered into net investment hedge contracts related to a portion of its investment in TJX Canada. During the fiscal quarter ended August 4, 2018, TJX de-designated the net investment hedge contracts. The remaining life of the foreign currency contracts provided a natural hedge to the declared cash dividend from TJX Canada. The contracts settled during the second quarter of fiscal 2019 resulting in a pre-tax gain of \$27 million while designated as a net investment hedge and subsequent to de-designation, a pre-tax gain of \$19 million. The \$27 million gain is reflected in shareholders equity as a component of other comprehensive income. The \$19 million gain subsequent to de-designation is reflected in the income statement offsetting a foreign currency loss of \$18 million on the declared dividends.

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at November 3, 2018:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at November 3, 2018
Fair value hedges:							
Intercompany balances, primarily debt and related interest							
zł	62,000	£ 12,983	0.2094	Prepaid Exp	\$ 475	\$ —	\$ 475
€	48,950	£ 43,612	0.8909	Prepaid Exp	626	—	626
A\$	30,000	U.S.\$ 21,207	0.7069	(Accrued Exp)	—	(429)	(429)
U.S.\$	77,079	£ 55,000	0.7136	(Accrued Exp)	—	(5,545)	(5,545)
Economic hedges for which hedge accounting was not elected:							
Diesel contracts	Fixed on 1.3M – 3.0M gal per month	Float on 1.3M – 3.0M gal per month	N/A	Prepaid Exp	4,965	—	4,965
Intercompany billings in Europe, primarily merchandise related							
€	82,000	£ 71,853	0.8763	(Accrued Exp)	—	(231)	(231)
Merchandise purchase commitments							
C\$	582,670	U.S.\$ 447,800	0.7685	Prepaid Exp / (Accrued Exp)	3,216	(543)	2,673
C\$	29,614	€ 19,500	0.6585	Prepaid Exp / (Accrued Exp)	4	(342)	(338)
£	271,690	U.S.\$ 369,500	1.3600	Prepaid Exp / (Accrued Exp)	15,585	(132)	15,453
U.S.\$	2,692	£ 2,067	0.7678	Prepaid Exp / (Accrued Exp)	15	(28)	(13)
A\$	45,132	U.S.\$ 32,962	0.7303	Prepaid Exp / (Accrued Exp)	441	(21)	420
zł	289,208	£ 59,158	0.2046	Prepaid Exp / (Accrued Exp)	744	(373)	371
U.S.\$	67,459	€ 57,065	0.8459	(Accrued Exp)	—	(2,235)	(2,235)
Total fair value of derivative financial instruments					\$ 26,071	\$ (9,879)	\$ 16,192

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at February 3, 2018:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at February 3, 2018
Fair value hedges:							
Intercompany balances, primarily debt and related interest							
zł	67,000	£ 14,035	0.2095	(Accrued Exp)	\$ —	\$ (45)	\$ (45)
€	51,950	£ 46,095	0.8873	(Accrued Exp)	—	(318)	(318)
U.S.\$	77,079	£ 55,000	0.7136	Prepaid Exp	1,636	—	1,636
Economic hedges for which hedge accounting was not elected:							
Diesel contracts							
	Fixed on 2.2M – 3.0M gal per month	Float on 2.2M– 3.0M gal per month	N/A	Prepaid Exp	7,854	—	7,854
Intercompany billings in TJX Europe, primarily merchandise related							
€	26,000	£ 22,948	0.8826	(Accrued Exp)	—	(2)	(2)
Merchandise purchase commitments							
C\$	462,464	U.S.\$ 367,200	0.7940	Prepaid Exp / (Accrued Exp)	49	(5,478)	(5,429)
C\$	22,562	€ 15,000	0.6648	Prepaid Exp	557	—	557
£	176,911	U.S.\$ 238,000	1.3453	Prepaid Exp / (Accrued Exp)	173	(12,838)	(12,665)
zł	288,646	£ 60,023	0.2079	(Accrued Exp)	—	(1,303)	(1,303)
A\$	28,635	U.S.\$ 22,230	0.7763	Prepaid Exp / (Accrued Exp)	43	(573)	(530)
U.S.\$	44,223	€ 36,950	0.8355	Prepaid Exp	1,905	—	1,905
Total fair value of financial instruments					\$ 12,217	\$ (20,557)	\$ (8,340)

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at October 28, 2017:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at October 28, 2017
Fair value hedges:							
Intercompany balances, primarily debt and related interest							
zł	67,000	£ 13,000	0.1940	(Accrued Exp)	\$ —	\$ (1,211)	(1,211)
€	49,950	£ 43,317	0.8672	Prepaid Exp / (Accrued Exp)	277	(1,600)	(1,323)
U.S.\$	68,445	£ 55,000	0.8036	Prepaid Exp	3,849	—	3,849
Economic hedges for which hedge accounting was not elected:							
Diesel contracts							
	Fixed on 250K – 2.5M gal per month	Float on 250K – 2.5M gal per month	N/A	Prepaid Exp	5,226	—	5,226
Intercompany billings in Europe, primarily merchandise related							
€	27,000	£ 24,062	0.8912	Prepaid Exp	202		202
Merchandise purchase commitments							
C\$	511,004	U.S.\$ 399,650	0.7821	Prepaid Exp / (Accrued Exp)	5,023	(4,770)	253
C\$	25,305	€ 17,000	0.6718	Prepaid Exp / (Accrued Exp)	63	(62)	1
£	163,682	U.S.\$ 214,000	1.3074	Prepaid Exp / (Accrued Exp)	678	(2,298)	(1,620)
A\$	27,187	U.S.\$ 21,351	0.7853	Prepaid Exp	467	—	467
zł	313,150	£ 65,249	0.2084	Prepaid Exp / (Accrued Exp)	580	(350)	230
U.S.\$	2,928	£ 2,245	0.7667	Prepaid Exp	16	—	16
U.S.\$	68,723	€ 58,859	0.8565	Prepaid Exp / (Accrued Exp)	729	(989)	(260)
Total fair value of financial instruments					\$ 17,110	\$ (11,280)	\$ 5,830

Presented below is the impact of derivative financial instruments on the statements of income for the periods shown:

In thousands	Location of Gain (Loss) Recognized in Income by Derivative	Amount of Gain (Loss) Recognized in Income by Derivative		Amount of Gain (Loss) Recognized in Income by Derivative	
		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
		November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Fair value hedges:					
Intercompany balances, primarily debt and related interest	Selling, general and administrative expenses	\$ 672	\$ (1,454)	\$ (3,538)	\$ (3,820)
Economic hedges for which hedge accounting was not elected:					
Intercompany receivable	Selling, general and administrative expenses	—	—	18,823	—
Diesel fuel contracts	Cost of sales, including buying and occupancy costs	1,572	4,947	7,530	3,630
Intercompany billings in Europe, primarily merchandise related	Cost of sales, including buying and occupancy costs	1,718	328	1,024	(3,116)
Merchandise purchase commitments	Cost of sales, including buying and occupancy costs	8,463	13,336	61,091	(20,829)
Gain / (loss) recognized in income		\$ 12,425	\$ 17,157	\$ 84,930	\$ (24,135)

Note F. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or "exit price." The inputs used to measure fair value are generally classified into the following hierarchy:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

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

Level 3: Unobservable inputs for the asset or liability

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

In thousands	November 3, 2018	February 3, 2018	October 28, 2017
Level 1			
Assets:			
Executive Savings Plan investments	\$ 245,856	\$ 249,045	\$ 231,618
Level 2			
Assets:			
Short-term investments	\$ —	\$ 506,165	\$ 511,618
Foreign currency exchange contracts	21,106	4,363	11,884
Diesel fuel contracts	4,965	7,854	5,226
Liabilities:			
Foreign currency exchange contracts	\$ 9,879	\$ 20,557	\$ 11,280

Investments designed to meet obligations under the Executive Savings Plan are invested in registered investment companies traded in active markets and are recorded at unadjusted quoted prices.

Short-term investments, foreign currency exchange contracts and diesel fuel contracts are valued using broker quotations, which include observable market information. TJX's investments are primarily high-grade commercial paper, institutional money market funds and time deposits with major banks. TJX does not make adjustments to quotes or prices obtained from brokers or pricing services but does assess the credit risk of counterparties and will adjust final valuations when appropriate. Where independent pricing services provide fair values, TJX obtains an understanding of the methods used in pricing. As such, these instruments are classified within Level 2.

The fair value of TJX's general corporate debt was estimated by obtaining market quotes given the trading levels of other bonds of the same general issuer type and market perceived credit quality. These inputs are considered to be Level 2. The fair value of long-term debt as of November 3, 2018 was \$2.1 billion compared to a carrying value of \$2.2 billion. The fair value of long-term debt as of February 3, 2018 was \$2.2 billion compared to a carrying value of \$2.2 billion. The fair value of long-term debt as of October 28, 2017 was \$2.2 billion compared to a carrying value of \$2.2 billion. These estimates do not necessarily reflect provisions or restrictions in the various debt agreements that might affect TJX's ability to settle these obligations.

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

Note G. Segment Information

TJX operates four main business segments. The Marmaxx segment (T.J. Maxx, Marshalls and tjmaxx.com) and the HomeGoods segment (HomeGoods and Homesense) both operate in the United States, the TJX Canada segment operates Winners, HomeSense and Marshalls in Canada, and the TJX International segment operates T.K. Maxx, Homesense and tkmaxx.com in Europe and T.K. Maxx in Australia. We also operate Sierra Trading Post ("STP"), an off-price retailer that includes sierratradingpost.com along with a number of retail stores in the U.S. We currently consider all of STP as part of our e-commerce operations. The results of STP are included in the Marmaxx segment.

All of TJX's stores, with the exception of HomeGoods and Homesense, sell family apparel and home fashions. HomeGoods and Homesense offer home fashions.

TJX evaluates the performance of its segments based on "segment profit or loss," which it defines as pre-tax income or loss before general corporate expense, pension settlement charge and interest expense, net. "Segment profit or loss," as defined by TJX, may not be comparable to similarly titled measures used by other entities. The terms "segment margin" or "segment profit margin" are used to describe segment profit or loss as a percentage of net sales. These measures of performance should not be considered alternatives to net income or cash flows from operating activities as an indicator of TJX's performance or as a measure of liquidity.

Presented below is financial information with respect to TJX's business segments:

In thousands	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales:				
In the United States:				
Marmaxx	\$ 5,973,476	\$ 5,298,479	\$ 17,202,115	\$ 15,550,253
HomeGoods	1,463,892	1,228,768	4,060,569	3,506,435
TJX Canada	1,036,884	983,236	2,828,456	2,554,033
TJX International	1,351,507	1,251,737	3,754,454	3,293,223
	\$ 9,825,759	\$ 8,762,220	\$ 27,845,594	\$ 24,903,944
Segment profit:				
In the United States:				
Marmaxx	\$ 762,911	\$ 666,092	\$ 2,343,682	\$ 2,100,138
HomeGoods	166,090	163,835	455,540	457,272
TJX Canada	182,170	206,472	446,089	392,581
TJX International	102,432	87,066	191,949	132,893
	1,213,603	1,123,465	3,437,260	3,082,884
General corporate expense	127,775	95,484	396,140	311,177
Pension settlement charge	36,122	—	36,122	—
Interest expense, net	3,188	7,981	10,365	27,499
Income before provision for income taxes	\$ 1,046,518	\$ 1,020,000	\$ 2,994,633	\$ 2,744,208

Note H. Pension Plans and Other Retirement Benefits

Presented below is financial information relating to TJX's funded defined benefit pension plan ("qualified pension plan" or "funded plan") and its unfunded supplemental pension plan ("unfunded plan") for the periods shown:

In thousands	Funded Plan		Unfunded Plan	
	Thirteen Weeks Ended		Thirteen Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Service cost	\$ 10,781	\$ 11,655	\$ 572	\$ 403
Interest cost	12,837	13,866	994	820
Expected return on plan assets	(17,468)	(17,309)	—	—
Recognized actuarial losses	3,241	5,428	914	641
Expense related to current period	\$ 9,391	\$ 13,640	\$ 2,480	\$ 1,864
Pension settlement charge	36,122	—	—	—
Total expense	\$ 45,513	\$ 13,640	\$ 2,480	\$ 1,864

In thousands	Funded Plan		Unfunded Plan	
	Thirty-Nine Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Service cost	\$ 34,007	\$ 35,264	\$ 1,794	\$ 1,578
Interest cost	40,767	41,384	2,700	2,506
Expected return on plan assets	(59,392)	(52,073)	—	—
Recognized actuarial losses	9,469	16,582	2,556	2,305
Expense related to current period	\$ 24,851	\$ 41,157	\$ 7,050	\$ 6,389
Pension settlement charge	36,122	—	—	—
Total expense	\$ 60,973	\$ 41,157	\$ 7,050	\$ 6,389

TJX's policy with respect to the funded plan is to fund, at a minimum, the amount required to maintain a funded status of 80% of the applicable pension liability (the Funding Target pursuant to the Internal Revenue Code section 430) or such other amount as is sufficient to avoid restrictions with respect to the funding of nonqualified plans under the Internal Revenue Code. We do not anticipate any required funding in fiscal 2019 for the funded plan. We anticipate making contributions of \$2.5 million to provide current benefits coming due under the unfunded plan in fiscal 2019.

The amounts included in recognized actuarial losses in the table above have been reclassified in their entirety from other comprehensive income to the statements of income, net of related tax effects, for the periods presented.

During the third quarter of fiscal 2019, TJX annuitized and transferred current pension obligations for certain U.S. retirees and beneficiaries under the funded plan through the purchase of a group annuity contract with an insurance company. TJX transferred \$207.4 million of pension plan assets to the insurance company, thereby reducing its pension benefit obligations. The transaction had no cash impact on TJX but did result in a non-cash pre-tax pension settlement charge of \$36.1 million, which is reported separately on the consolidated statements of income. As a result of the annuity purchase the Company re-measured the funded status of its pension plan as of September 30, 2018. The assumptions for pension expense presented above includes a discount rate of 4.00% through the measurement date and 4.40% thereafter. The expected rate of return on plan assets is 6.00% through the measurement date and 6.00% thereafter. The discount rate for determining the obligation at the measurement date is 4.40%.

Note I. Long-Term Debt and Credit Lines

The table below presents long-term debt, exclusive of current installments, as of November 3, 2018, February 3, 2018 and October 28, 2017. All amounts are net of unamortized debt discounts.

In thousands	November 3, 2018	February 3, 2018	October 28, 2017
General corporate debt:			
2.50% senior unsecured notes, maturing May 15, 2023 (effective interest rate of 2.51% after reduction of unamortized debt discount of \$200 at November 3, 2018, \$234 at February 3, 2018 and \$245 at October 28, 2017)	\$ 499,800	\$ 499,766	\$ 499,755
2.75% senior unsecured notes, maturing June 15, 2021 (effective interest rate of 2.76% after reduction of unamortized debt discount of \$194 at November 3, 2018, \$250 at February 3, 2018 and \$269 at October 28, 2017)	749,806	749,750	749,732
2.25% senior unsecured notes, maturing September 15, 2026 (effective interest rate of 2.32% after reduction of unamortized debt discount of \$5,844 at November 3, 2018, \$6,403 at February 3, 2018 and \$6,590 at October 28, 2017)	994,156	993,597	993,410
Debt issuance cost	(10,898)	(12,506)	(13,042)
Long-term debt	\$ 2,232,864	\$ 2,230,607	\$ 2,229,855

As of November 3, 2018, February 3, 2018 and October 28, 2017, TJX had two \$500 million revolving credit facilities, one which matures in March 2020 and one which matures in March 2022.

The terms and covenants under the revolving credit facilities require quarterly payments of 6.0 basis points per annum on the committed amounts for both agreements. This rate is based on the credit ratings of TJX's long-term debt and will vary with specified changes in the credit ratings. These agreements have no compensating balance requirements and have various covenants. Each of these facilities require TJX to maintain a ratio of funded debt and four-times consolidated rentals to consolidated earnings before interest, taxes, depreciation and amortization and consolidated rentals (EBITDAR) of not more than 2.75 to 1.00 on a rolling four-quarter basis. TJX was in compliance with all covenants related to its credit facilities at the end of all periods presented. As of November 3, 2018, February 3, 2018 and October 28, 2017, and during the quarters and year then ended, there were no amounts outstanding under these facilities.

As of November 3, 2018, February 3, 2018 and October 28, 2017, TJX Canada had two uncommitted credit lines, a C\$10 million facility for operating expenses and a C\$10 million letter of credit facility. As of November 3, 2018, February 3, 2018 and October 28, 2017, there were no amounts outstanding on the Canadian credit line for operating expenses. As of November 3, 2018, February 3, 2018 and October 28, 2017, our European business at TJX International had an uncommitted credit line of £5 million. As of November 3, 2018, February 3, 2018 and October 28, 2017, and during the quarters and year then ended, there were no amounts outstanding on the European credit line.

Note J. Income Taxes

The effective income tax rate was 27.2% for the third quarter of fiscal 2019 and 37.1% for the third quarter of fiscal 2018. The effective income tax rate was 25.9% for the first nine months of fiscal 2019 and 36.9% for the first nine months of fiscal 2018. The decrease in the effective income tax rate was primarily due to the reduction of the U.S. federal corporate tax rate to 21% as a result of the 2017 Tax Act and the jurisdictional mix of income.

Under ASU 2018-05, we have accounted for the impacts of the 2017 Tax Act to the extent a reasonable estimate could be made and we recognized provisional amounts related to the deemed repatriation tax, offset by the re-measurement of our deferred tax assets and liabilities to record the effects of the tax law change in the period of enactment. This guidance allows a company to record a provisional amount when it does not have the necessary information available, prepared, or analyzed in reasonable detail to complete its accounting for the change in the tax law during the measurement period. The measurement period ends when the company has obtained, prepared, and analyzed the information necessary to finalize its accounting, but cannot extend beyond one year. We will continue to monitor for new guidance related to provisional amounts recorded.

TJX had net unrecognized tax benefits of \$65.3 million as of November 3, 2018, \$57.3 million as of February 3, 2018 and \$41.2 million as of October 28, 2017.

TJX is subject to U.S. federal income tax as well as income tax in multiple state, local and foreign jurisdictions. In the U.S., fiscal years through 2010 are no longer subject to examination. In Canada, fiscal years through 2008 are no longer subject to examination. In all other jurisdictions, fiscal years through 2009 are no longer subject to examination.

TJX's accounting policy classifies interest and penalties related to income tax matters as part of income tax expense. The total accrued amount on the balance sheets for interest and penalties was \$13.8 million as of November 3, 2018, \$11.9 million as of February 3, 2018 and \$8.5 million as of October 28, 2017.

Based on the outcome of tax examinations or judicial or administrative proceedings, or as a result of the expiration of statutes of limitations in specific jurisdictions, it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those presented in the financial statements. During the next 12 months, it is reasonably possible that tax examinations of prior years' tax returns or judicial or administrative proceedings that reflect such positions taken by TJX may be finalized. As a result, the total net amount of unrecognized tax benefits may decrease, which would reduce the provision for taxes on earnings, by a range of zero to \$23 million.

Note K. Contingent Obligations and Contingencies

Contingent Obligations

TJX has contingent obligations on leases, for which it was a lessee or guarantor, which were assigned to third parties without TJX being released by the landlords. Over many years, TJX has assigned numerous leases that it had originally leased or guaranteed to a significant number of third parties. With the exception of leases of former businesses for which TJX has reserved, the Company has rarely had a claim with respect to assigned leases, and accordingly, the Company does not expect that such leases will have a material adverse impact on its financial condition, results of operations or cash flows. TJX does not generally have sufficient information about these leases to estimate our potential contingent obligations under them, which could be triggered in the event that one or more of the current tenants does not fulfill their obligations related to one or more of these leases.

TJX may also be contingently liable on up to eight leases of former TJX businesses, for which we believe the likelihood of future liability to TJX is remote, and has contingent obligations in connection with certain assigned or sublet properties that TJX is able to estimate. We estimate that the undiscounted obligations of (i) leases of former operations not included in our reserve for former operations and (ii) properties of our former operations if the subtenants do not fulfill their obligations, are approximately \$40.1 million as of November 3, 2018. We believe that most or all of these contingent obligations will not revert to us and, to the extent they do, will be resolved for substantially less due to mitigating factors including our expectation to further sublet.

TJX is a party to various agreements under which it may be obligated to indemnify the other party with respect to certain losses related to matters such as title to assets sold, specified environmental matters or certain income taxes. These obligations are often limited in time and amount. There are no amounts reflected in our balance sheets with respect to these contingent obligations.

Contingencies

TJX is subject to certain legal proceedings, lawsuits, disputes and claims that arise from time to time in the ordinary course of our business. In addition, TJX is a defendant in several lawsuits filed in federal and state courts brought as putative class or collective actions on behalf of various groups of current and former salaried and hourly associates in the U.S. The lawsuits allege violations of the Fair Labor Standards Act and of state wage and hour and other labor statutes. TJX is also a defendant in a putative class action on behalf of customers relating to compare at pricing. The lawsuits are in various procedural stages and seek monetary damages, injunctive relief and attorneys' fees. In connection with ongoing litigation, an immaterial amount has been accrued in the accompanying financial statements.

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

The Thirteen Weeks (third quarter) and Thirty-Nine Weeks (nine months) Ended November 3, 2018

Compared to

The Thirteen Weeks (third quarter) and Thirty-Nine Weeks (nine months) Ended October 28, 2017

Overview

We are the leading off-price apparel and home fashions retailer in the U.S. and worldwide. We sell a rapidly changing assortment of apparel, home fashions and other merchandise at prices generally 20% to 60% below full-price retailers' (including department, specialty and major online retailers) regular prices on comparable merchandise, every day. We operate nearly 4,300 stores through our four main segments: in the U.S., Marmaxx (which operates T.J. Maxx, Marshalls and tjmaxx.com) and HomeGoods (which operates HomeGoods and Homesense); TJX Canada (which operates Winners, HomeSense and Marshalls in Canada); and TJX International (which operates T.K. Maxx, Homesense and tkmaxx.com in Europe, and T.K. Maxx in Australia). We also operate Sierra Trading Post ("STP"), an off-price retailer that includes sierratradingpost.com along with a number of retail stores in the U.S. We currently consider all of STP as part of our e-commerce operations. The results of STP are reported in our Marmaxx segment.

Results of Operations

Overview of our financial performance for the quarter ended November 3, 2018:

- Net sales increased 12% to \$9.8 billion for the third quarter of fiscal 2019 over last year's third quarter sales of \$8.8 billion. At November 3, 2018, stores in operation increased 6% and selling square footage increased 4% compared to the end of the fiscal 2018 third quarter.
- Consolidated comp sales (defined below) increased 7% for the third quarter of fiscal 2019 over the comparable period last year ending November 4, 2017. Customer traffic was the primary driver of the comp sales increase.
- Diluted earnings per share for the third quarter of fiscal 2019 were \$0.61 versus \$0.50 per share in the third quarter of fiscal 2018.
- Our pre-tax margin (the ratio of pre-tax income to net sales) for the third quarter of fiscal 2019 was 10.7%, a 0.9 percentage point decrease compared with 11.6% in the third quarter of fiscal 2018.
- Our cost of sales, including buying and occupancy costs, ratio for the third quarter of fiscal 2019 was 71.1%, a 0.9 percentage point increase compared with 70.2% in the third quarter of fiscal 2018.
- Our selling, general and administrative ("SG&A") expense ratio for the third quarter of fiscal 2019 was 17.9%, a 0.2 percentage point decrease compared with 18.1% in the third quarter of fiscal 2018.
- Our consolidated average per store inventories, including inventory on hand at our distribution centers (which excludes inventory in transit) and excluding our e-commerce businesses, increased 9% on a reported basis and 10% on a constant currency basis at the end of the third quarter of fiscal 2019 as compared to a 2% decline in average per store inventories on a reported basis and a 4% decline on a constant currency basis in the third quarter of fiscal 2018.
- During the third quarter, we returned \$841 million to our shareholders through share repurchases and dividends.

The following is a discussion of our consolidated operating results, followed by a discussion of our segment operating results.

Net sales: Consolidated net sales for the quarter ended November 3, 2018 totaled \$9.8 billion, a 12% increase over last year's consolidated third quarter net sales of \$8.8 billion. The increase reflects a 7% increase from comp sales, a 6% increase from non-comp sales, offset by a 1% negative impact from foreign currency exchange rates. This increase compares to sales growth of 6% in the third quarter of fiscal 2018, which reflects a 5% increase from non-comp sales and a 1% positive impact from foreign currency exchange rates.

Consolidated net sales for the nine months ended November 3, 2018 totaled \$27.8 billion, a 12% increase over \$24.9 billion in last year's comparable period. The increase reflects a 6% increase from comp sales, a 5% increase from non-comp sales and a 1% positive impact from foreign currency exchange rates. This compares to sales growth of 5% for the nine months ended October 28, 2017, which reflects a 4% increase from non-comp sales, a 1% increase from comp sales, and a neutral impact from foreign currency exchange rates.

As of November 3, 2018, our consolidated store count increased 6% and selling square footage increased 4% compared to the end of the third quarter last year.

Consolidated comp sales for both the quarter and nine months ended November 3, 2018 reflect an increase in the customer traffic across all divisions. On a consolidated basis, apparel categories outperformed home categories for both the quarter and nine months ended November 3, 2018.

For both the quarter and nine months ended November 3, 2018, comp sales in the U.S. were strong throughout the country. Comp sales for both TJX Canada and TJX International, while solid, were below the consolidated average.

We define comparable store sales ("comp sales"), to be sales of stores that have been in operation for all or a portion of two consecutive fiscal years, or in other words, stores that are starting their third fiscal year of operation. We calculate comp sales on a 52-week basis by comparing the current and prior year weekly periods that are most closely aligned. Relocated stores and stores that have changed in size are generally classified in the same way as the original store, and we believe that the impact of these stores on the consolidated comp percentage is immaterial.

We define customer traffic to be the number of transactions in stores included in the comp sales calculation and average ticket to be the average retail price of the units sold. We define average transaction or average basket to be the average dollar value of transactions included in the comp sales calculation.

Sales excluded from comp sales ("non-comp sales") consist of sales from:

- New stores, meaning stores that have not yet met the comp sales criteria, which represents the vast majority of non-comp sales
- Stores that are closed permanently or for an extended period of time
- Our e-commerce businesses, meaning STP (including stores), tjmaxx.com and tkmaxx.com

We determine which stores are included in the comp sales calculation at the beginning of a fiscal year and the classification remains constant throughout that year unless a store is closed permanently or for an extended period during that fiscal year. For the third quarter and nine months of fiscal 2019, comp sales are based on a shifted fiscal 2018 calendar so that they are calculated on a comparable week basis.

Comp sales of our foreign segments are calculated by translating the current year's comp sales of our foreign segments at the same exchange rates used in the prior year. This removes the effect of changes in currency exchange rates, which we believe is a more accurate measure of segment operating performance.

Comp sales may be referred to as "same store" sales by other retail companies. The method for calculating comp sales varies across the retail industry, therefore our measure of comp sales may not be comparable to that of other retail companies.

The following table sets forth certain information about our consolidated operating results as a percentage of net sales for the following periods:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including buying and occupancy costs	71.1	70.2	71.1	70.9
Selling, general and administrative expenses	17.9	18.1	18.0	18.0
Pension settlement charge	0.4	—	0.1	—
Interest expense, net	—	0.1	—	0.1
Income before provision for income taxes*	10.7%	11.6%	10.8%	11.0%

* Figures may not foot due to rounding

Impact of foreign currency exchange rates: Our operating results are affected by foreign currency exchange rates as a result of changes in the value of the U.S. dollar or a division's local currency in relation to other currencies. Two ways in which foreign currency exchange rates affect our reported results are as follows:

- *Translation of foreign operating results into U.S. dollars:* In our financial statements, we translate the operations of TJX Canada and TJX International from local currencies into U.S. dollars using currency rates in effect at different points in time. Significant changes in foreign exchange rates between comparable prior periods can result in meaningful variations in consolidated net sales, net income and earnings per share growth as well as the net sales and operating results of these segments. Currency translation generally does not affect operating margins, or affects them only slightly, as sales and expenses of the foreign operations are translated at approximately the same rates within a given period.
- *Inventory-related derivatives:* We routinely enter into inventory-related hedging instruments to mitigate the impact on earnings of changes in foreign currency exchange rates on merchandise purchases denominated in currencies other than the local currencies of our divisions, principally TJX Canada and TJX International. As we have not elected "hedge accounting" for these instruments, as defined by U.S. generally accepted accounting principles ("GAAP"), we record a mark-to-market gain or loss on the derivative instruments in our results of operations at the end of each reporting period. In subsequent periods, the income statement impact of the mark-to-market adjustment is effectively offset when the inventory being hedged is received and paid for. While these effects occur every reporting period, they are of much greater magnitude when there are sudden and significant changes in currency exchange rates during a short period of time. The mark-to-market adjustment on these derivatives does not affect net sales, but it does affect the cost of sales, operating margins and earnings we report.

We refer to the impact of the above two items throughout our discussion as "foreign currency." This does not include the impact currency exchange rates can have on various transactions that are denominated in a currency other than an operating division's local currency. When discussing the impact on our results of the effect of currency exchange rates on such transactions we refer to it as "transactional foreign exchange."

Cost of sales, including buying and occupancy costs: Cost of sales, including buying and occupancy costs, as a percentage of net sales was 71.1% for the third quarter of fiscal 2019, an increase of 0.9 percentage points from 70.2% for the third quarter of fiscal 2018 and was 71.1% for the nine months ended November 3, 2018, an increase of 0.2 percentage points from 70.9% for the nine months ended October 28, 2017. The increase for the quarter was driven by the unfavorable year-over-year comparison related to the Company's inventory hedges, lower merchandise margin (due to higher freight costs), as well as an increase in supply chain costs. These items more than offset expense leverage on the strong comp sales growth. For the nine months ended November 3, 2018, the lower merchandise margin and increased supply chain costs more than offset expense leverage from comp sales growth.

Selling, general and administrative expenses: SG&A expenses, as a percentage of net sales, were 17.9% in the third quarter of fiscal 2019, a decrease of 0.2 percentage points over last year's third quarter ratio of 18.1%. The improvement in this expense ratio for the third quarter was primarily due to administrative expense leverage on the strong comp sales.

SG&A expenses, as a percentage of net sales, were 18.0% for the nine months ended November 3, 2018, flat to last year's third quarter ratio. Increases due to wage increases and the global IT function restructuring costs were offset by expense savings and a gain related to a lease buyout in Canada.

Pension settlement charge: During the third quarter of fiscal 2019, TJX annuitized and transferred current pension obligations for certain U.S. retirees and beneficiaries under the funded plan through the purchase of a group annuity contract with an insurance company. TJX transferred \$207.4 million of pension plan assets to the insurance company, thereby reducing its pension benefit obligations. The transaction had no cash impact on TJX but did result in a non-cash pre-tax pension settlement charge of \$36.1 million.

Interest expense, net: The components of interest expense, net are summarized below:

In thousands	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Interest expense	\$ 17,248	\$ 17,349	\$ 51,896	\$ 51,881
Capitalized interest	(752)	(1,066)	(3,728)	(3,528)
Interest (income)	(13,308)	(8,302)	(37,803)	(20,854)
Interest expense, net	\$ 3,188	\$ 7,981	\$ 10,365	\$ 27,499

The decrease in net interest expense for the third quarter and the nine months ended November 3, 2018, compared to the same periods in fiscal 2018, was driven by additional interest income, primarily due to higher return rates.

Income taxes: The effective income tax rate was 27.2% for the third quarter of fiscal 2019 compared to 37.1% for the third quarter of fiscal 2018. The effective income tax rate was 25.9% for the nine months ended November 3, 2018 compared to 36.9% for the nine months ended October 28, 2017. The decrease in the effective income tax rate was primarily due to the decrease of the U.S. federal corporate tax rate from 35% to 21% as a result of the 2017 Tax Act and the jurisdictional mix of income.

Under ASU 2018-05, we have accounted for the impacts of the 2017 Tax Act to the extent a reasonable estimate could be made and we recognized provisional amounts related to the deemed repatriation tax, offset by the re-measurement of our deferred tax assets and liabilities to record the effects of the tax law change in the period of enactment. This guidance allows a company to record a provisional amount when it does not have the necessary information available, prepared, or analyzed in reasonable detail to complete its accounting for the change in the tax law during the measurement period. The measurement period ends when the company has obtained, prepared, and analyzed the information necessary to finalize its accounting, but cannot extend beyond one year. We will continue to monitor for new guidance related to provisional amounts recorded.

Net income and diluted earnings per share: Net income for the third quarter of fiscal 2019 was \$762 million, or \$0.61 per diluted share compared with \$641 million, or \$0.50 per diluted share for the third quarter of fiscal 2018. The lower effective tax rate realized due to the 2017 Tax Act resulted in an estimated net benefit to diluted earnings per share of approximately \$0.09 per share. The pension settlement charge had a \$0.02 negative impact on earnings per share for the third quarter of fiscal 2019. Foreign currency had a \$0.01 negative impact on earnings per share for the third quarter of fiscal 2019 compared to a \$0.02 positive impact on earnings per share for the third quarter of fiscal 2018.

Net income for the nine months ended November 3, 2018 was \$2.2 billion, or \$1.75 per diluted share, compared to \$1.7 billion, or \$1.33 per diluted share for the nine months ended October 28, 2017. The lower effective tax rate realized due to the 2017 Tax Act resulted in an estimated net benefit to diluted earnings per share of approximately \$0.26 per share. The third quarter pension settlement charge had a \$0.02 negative impact on earnings per share in the first nine months of fiscal 2019. Foreign currency had a \$0.01 positive impact on earnings per share in the first nine months of fiscal 2019 compared to a neutral impact on earnings per share in the prior year.

Our stock repurchase programs, which reduce our weighted average diluted shares outstanding, benefited our earnings per share growth by approximately two percent in the third quarter of fiscal 2019 and three percent for the first nine months of fiscal 2019.

Segment information: We operate four main business segments. Our Marmaxx segment (T.J. Maxx, Marshalls and tjmaxx.com) and the HomeGoods segment (HomeGoods and Homesense) both operate in the United States. Our TJX Canada segment operates Winners, HomeSense and Marshalls in Canada, and our TJX International segment operates T.K. Maxx, Homesense and tkmaxx.com in Europe and T.K. Maxx in Australia. We also operate Sierra Trading Post ("STP"), an off-price retailer that includes sierratradinglepost.com along with a number of retail stores in the U.S. We currently consider all of STP as part of our e-commerce operations. The results of STP are included in our Marmaxx segment.

We evaluate the performance of our segments based on “segment profit or loss,” which we define as pre-tax income or loss before general corporate expense, pension settlement charge and interest expense, net. “Segment profit or loss,” as we define the term, may not be comparable to similarly titled measures used by other entities. The terms “segment margin” or “segment profit margin” are used to describe segment profit or loss as a percentage of net sales. These measures of performance should not be considered an alternative to net income or cash flows from operating activities as an indicator of our performance or as a measure of liquidity.

U.S. Segments:

Marmaxx

In millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	\$ 5,973	\$ 5,298	\$ 17,202	\$ 15,550
Segment profit	\$ 763	\$ 666	\$ 2,344	\$ 2,100
Segment profit as a percentage of net sales	12.8%	12.6%	13.6%	13.5%
Increase in comp sales	9%	(1)%	7%	—%
Stores in operation at end of period				
T.J. Maxx			1,247	1,219
Marshalls			1,091	1,057
Sierra Trading Post			35	26
Total			2,373	2,302
Selling square footage at end of period (in thousands)				
T.J. Maxx			27,396	27,034
Marshalls			25,291	24,827
Sierra Trading Post			598	451
Total			53,285	52,312

Net sales for Marmaxx increased 13% for the third quarter and 11% for the first nine months of fiscal 2019 as compared to the same periods last year. The increase in the third quarter represents a 9% increase from comp sales and a 4% increase from non-comp sales. The nine month increase in net sales included a 7% increase from comp sales and a 4% increase from non-comp sales. The increase in comp sales for the third quarter and nine months ended November 3, 2018 was mainly driven by an increase in customer traffic. Marmaxx sales for both periods also reflect an increase in units sold and in the average ticket. Geographically, comp sales growth in both the quarter and the nine-month period were strong throughout the country. Apparel outperformed home fashions in both periods.

Segment profit margin increased to 12.8% for the third quarter of fiscal 2019 compared to 12.6% for the same period last year, and for the nine months ended November 3, 2018 segment profit margin increased to 13.6% compared to 13.5% in the same period last year. The increase in segment margin for the third quarter and nine-month period was driven by expense leverage on the strong comp sales which more than offset increased freight costs, increased costs related to our supply chain and an increase in incentive compensation expense due to the above-plan operating performance. The increase in freight costs resulted in a decrease in merchandise margin for both periods.

Our U.S. e-commerce businesses, which represent less than 3% of Marmaxx’s net sales, did not have a significant impact on year-over-year segment margin comparisons for the third quarter and nine-month period.

HomeGoods

In millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	\$ 1,464	\$ 1,229	\$ 4,061	\$ 3,506
Segment profit	\$ 166	\$ 164	\$ 456	\$ 457
Segment profit as a percentage of net sales	11.3%	13.3%	11.2%	13.0%
Increase in comp sales	7%	3%	4%	4%
Stores in operation at end of period				
HomeGoods			745	660
Homesense			16	3
Total			761	663
Selling square footage at end of period (in thousands)				
HomeGoods			13,702	12,332
Homesense			343	62
Total			14,045	12,394

Net sales for HomeGoods increased 19% in the third quarter and 16% in the first nine months of fiscal 2019 compared to the same periods last year. The increase in the third quarter represents a 12% increase from non-comp sales and a 7% increase from comp sales. The nine month increase in net sales includes an increase of 12% from non-comp sales and a 4% increase from comp sales. The increase in comp sales for the third quarter and nine months was driven by an increase in customer traffic.

Segment profit margin was 11.3% for the third quarter of fiscal 2019 compared to 13.3% for the same period last year. Segment profit margin decreased to 11.2% for the nine months ended November 3, 2018 compared to 13.0% for the nine months ended October 28, 2017. The decline in segment margin was primarily due to a reduction in merchandise margin of 1.6 percentage points for the third quarter and 0.9 percentage points for the nine months ended November 3, 2018. Merchandise margin was negatively impacted by significantly higher freight costs. Both periods were also impacted by an increase in supply chain costs which were partially offset by expense leverage on comp store sales growth.

Foreign Segments:

TJX Canada

In millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	\$ 1,037	\$ 983	\$ 2,828	\$ 2,554
Segment profit	\$ 182	\$ 206	\$ 446	\$ 393
Segment profit as a percentage of net sales	17.6%	21.0%	15.8%	15.4%
Increase in comp sales	5%	4%	5%	4%
Stores in operation at end of period				
Winners			271	265
HomeSense			125	117
Marshalls			88	72
Total			484	454
Selling square footage at end of period (in thousands)				
Winners			5,863	5,795
HomeSense			2,325	2,179
Marshalls			1,885	1,599
Total			10,073	9,573

Net sales for TJX Canada increased 5% during the third quarter ended November 3, 2018 and 11% for the nine months ended November 3, 2018 compared to the same periods last year. The increase in the third quarter represents a 5% increase in comp sales growth, and a 5% increase from non-comp sales offset by a 5% negative impact from foreign currency exchange rates. The nine-month increase in net sales includes comp sales growth of 5%, non-comp sales of 6% and neutral impact from foreign currency. The increase in comp sales for both periods was driven by an increase in customer traffic.

Segment profit margin decreased to 17.6% for the third quarter of fiscal 2019 compared to 21.0% for the same period last year. Segment profit margin increased to 15.8% for the nine months ended November 3, 2018 compared to 15.4% for the nine months ended October 28, 2017. The decrease in the segment margin for the third quarter was primarily due to an unfavorable impact of 2.8 percentage points due to the mark-to-market impact of the inventory derivatives. Segment margin was also negatively impacted by an increase in store payroll costs due to legislated minimum wage increases. These negative factors were offset by expense leverage on the strong comp sales during the third quarter. The increase in the segment margin for the nine-months ended November 3, 2018 was primarily due to leverage on strong comp sales and the benefit of a lease buyout gain, which were partially offset by wage increases.

TJX International

In millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
Net sales	\$ 1,352	\$ 1,252	\$ 3,754	\$ 3,293
Segment profit	\$ 102	\$ 87	\$ 192	\$ 133
Segment profit as a percentage of net sales	7.6%	7.0%	5.1%	4.0%
Increase in comp sales	3%	1%	3%	1%
Stores in operation at end of period				
T.K. Maxx			566	540
Homesense			68	55
T.K. Maxx Australia			44	38
Total			678	633
Selling square footage at end of period (in thousands)				
T.K. Maxx			11,675	11,379
Homesense			1,037	883
T.K. Maxx Australia			914	714
Total			13,626	12,976

Net sales for TJX International increased 8% for the third quarter and 14% for the nine months ended November 3, 2018 compared to the same periods last year. The increase in the third quarter represents a 7% increase from non-comp sales and a 3% increase in comp sales growth, offset by a 2% negative impact from foreign currency exchange rates. The nine-month increase in net sales includes a 7% increase from non-comp sales, a 4% positive impact from foreign currency exchange rates, and a 3% increase in comp sales. The increase in comp sales for both periods was driven by an increase in customer traffic.

Segment profit margin increased to 7.6% for the third quarter of fiscal 2019 compared to 7.0% for the same period last year. Segment profit margin increased to 5.1% for the nine months ended November 3, 2018 compared to 4.0% for the nine months ended October 28, 2017. The increase in segment margin for the third quarter of fiscal 2019 was driven by cost efficiencies, especially in favorable negotiated lease terms, an increase in merchandise margin and a reserve adjustment due to the favorable outcome of a wage audit. These margin improvements were partially offset by the unfavorable impact of 1.3 percentage points for the third quarter due to the year-over-year mark-to-market impact of the inventory derivatives. The increase in the segment margin for the nine-months ended November 3, 2018 was primarily due to the favorable year over year impact of the mark-to-market impact of the inventory derivatives, cost efficiencies and the favorable outcome of a wage audit.

General corporate expense

In millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
General corporate expense	\$ 128	\$ 95	\$ 396	\$ 311

General corporate expense for segment reporting purposes represents those costs not specifically related to the operations of our business segments. General corporate expenses are primarily included in SG&A expenses, except for the mark-to-market adjustment of our fuel hedges, which is included in cost of sales, including buying and occupancy costs.

General corporate expense for the third quarter increased primarily due to higher systems and technology costs, increased incentive compensation costs due to the above plan performance and the mark-to-market impact of our diesel fuel hedges. Additionally, general corporate expense for the nine months ended November 3, 2018 includes \$39 million for the global IT function restructuring costs and contributions to TJX's charitable foundations.

Analysis of Financial Condition

Liquidity and Capital Resources

Our liquidity requirements have traditionally been funded through cash generated from operations, supplemented, as needed, by short-term bank borrowings and the issuance of commercial paper. As of November 3, 2018, there were no short-term bank borrowings or commercial paper outstanding.

We believe our existing cash and cash equivalents, internally generated funds and our credit facilities, described in Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements, are more than adequate to meet our operating needs over the next fiscal year.

As of November 3, 2018, we held \$2.7 billion in cash and no short-term investments. Approximately \$0.9 billion of our cash was held by our foreign subsidiaries with \$0.3 billion held in countries where we provisionally intend to indefinitely reinvest any undistributed earnings. We have provided for all applicable state and foreign withholding taxes on all undistributed earnings of our foreign subsidiaries in Canada, Puerto Rico, Italy, India, Hong Kong and Vietnam through November 3, 2018. If we repatriate cash from such subsidiaries, we should not incur additional tax expense and our cash would be reduced by the amount of withholding taxes paid. We repatriated approximately \$1.4 billion in cash from our subsidiary in Canada during the second quarter of fiscal 2019.

Operating activities: Net cash provided by operating activities was \$2.5 billion for the nine months ended November 3, 2018 and \$1.9 billion for the nine months ended October 28, 2017. The cash generated from operating activities in each of these fiscal quarters was primarily due to operating earnings.

Operating cash flows for the first nine months of fiscal 2019 increased by \$0.6 billion compared to the first nine months of fiscal 2018, driven by increased operating earnings. Net income, adjusted for non-cash items increased operating cash flows in the first nine months of fiscal 2019 as compared to the first nine months of fiscal 2018 by \$0.8 billion and was partially offset by a \$0.2 billion increase in merchandise inventories, net of accounts payable.

Operating cash flows for the first nine months of fiscal 2018 decreased by \$0.2 billion compared to the first nine months of fiscal 2017. Net income, adjusted for non-cash items for the first nine months of fiscal 2018, increased operating cash flows by \$0.1 billion compared to the first nine months of fiscal 2017. This increase was more than offset by a \$0.1 billion decrease related to merchandise inventories, net of accounts payable and a \$0.2 billion decrease related to accrued expenses and other liabilities. The decrease in cash flows related to accrued expenses and other liabilities was driven by increased payments for incentive compensation, payroll withholdings and sales taxes during the first nine months of fiscal 2018.

Investing activities: Net cash used in investing activities resulted in net cash outflows of \$0.4 billion for the nine months ended November 3, 2018 and \$0.8 billion for the nine months ended October 28, 2017. The cash outflows for both periods were driven by capital expenditures and, in addition, the activity in fiscal 2019 reflects the liquidation of short-term investments by TJX Canada as a result of the repatriation completed during the second quarter.

Investing activities in the first nine months of fiscal 2019 primarily reflected property additions for new stores, store improvements and renovations and investment in our home offices and our distribution network (including buying and merchandising systems and information systems). Cash outflows for property additions were \$0.9 billion in the first nine months of fiscal 2019 and \$0.8 billion in the prior year. We anticipate that capital spending for fiscal 2019 will be approximately \$1.3 billion. We plan to fund these expenditures through internally generated funds.

We purchased \$0.2 billion of investments in the first nine months of fiscal 2019 versus \$0.6 billion in the comparable prior year period. These cash outflows were more than offset by \$0.6 billion of inflows related to investments that were sold or matured in the first nine months of fiscal 2019 and \$0.7 billion in the prior year. The investing activity primarily relates to short-term investments which had initial maturities in excess of 90 days and, per our policy, are not classified as cash on the consolidated balance sheets presented.

Financing activities: Net cash used in financing activities resulted in net cash outflows of \$2.1 billion in the first nine months of fiscal 2019 and \$1.7 billion for the nine months ended October 28, 2017. These cash outflows were primarily driven by equity repurchases and dividend payments.

Equity

We repurchased and retired 34.0 million shares of our common stock at a cost of \$1.6 billion during the first nine months of fiscal 2019, on a “trade date basis.” We reflect stock repurchases in our financial statements on a “settlement date” or cash basis. Under our stock repurchase programs, we paid \$1.6 billion to repurchase 33.9 million shares of our stock in the first nine months of fiscal 2019. These outflows were partially offset by \$0.2 billion in proceeds from the exercise of employee stock options, net of shares withheld for taxes in the first nine months of fiscal 2019. We paid \$1.2 billion to repurchase 33.5 million shares in the first nine months of fiscal 2018. For further information regarding equity repurchases, see Note D—Capital Stock and Earnings Per Share of Notes to Consolidated Financial Statements.

In February 2018, we announced that our Board of Directors approved an additional repurchase program authorizing the repurchase of up to an additional \$3.0 billion of TJX stock. We currently plan to repurchase approximately \$2.5 billion of stock under our stock repurchase programs in fiscal 2019. We determine the timing and amount of repurchases based on our assessment of various factors, including excess cash flow, liquidity, economic and market conditions, our assessment of prospects for our business, legal requirements and other factors. The timing and amount of these purchases may change.

Dividends

We declared quarterly dividends on our common stock which totaled \$0.585 per share in the first nine months of fiscal 2019 and \$0.469 per share in the first nine months of fiscal 2018. Cash payments for dividends on our common stock totaled \$0.7 billion for the first nine months of fiscal 2019 and \$0.6 billion for the first nine months of fiscal 2018.

Recently Issued Accounting Pronouncements

For a discussion of accounting standards, see Note A - Basis of Presentation and Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements included in TJX's Annual Report on Form 10-K for the fiscal year ended February 3, 2018 and Note A - Basis of Presentation and Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Forward-looking Statements

Various statements made in this Quarterly Report on Form 10-Q are forward-looking and involve a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements: execution of buying strategy and inventory management; operational and business expansion and management of large size and scale; customer trends and preferences; various marketing efforts; competition; personnel recruitment, training and retention; labor costs and workforce challenges; data security; information systems and implementation of new technologies; economic conditions and consumer spending; adverse or unseasonable weather; serious disruptions or catastrophic events; corporate and retail banner reputation; quality, safety and other issues with our merchandise; compliance with laws, regulations and orders and changes in laws, regulations and applicable accounting standards; expanding international operations; merchandise sourcing and transport; commodity availability and pricing; fluctuations in currency exchange rates; fluctuations in quarterly operating results and market expectations; mergers, acquisitions, or business investments and divestitures, closings or business consolidations; outcomes of litigation, legal proceedings and other legal or regulatory matters; tax matters; disproportionate impact of disruptions in the second half of the fiscal year; real estate activities; inventory or asset loss; cash flow and other factors that may be described in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. We do not undertake to publicly update or revise our forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no material changes in our primary risk exposures or management of market risks from those disclosed in our Annual Report on Form 10-K for the fiscal year ended February 3, 2018.

Item 4. Controls and Procedures.

We have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of November 3, 2018 pursuant to Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Act"). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at the reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under the Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of implementing controls and procedures.

Effective November 3, 2018, we implemented a new financial application to simplify and standardize our global consolidated financial reporting process while enhancing and improving the control environment surrounding the Company's financial data and information. Except as described above, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Act) during the fiscal quarter ended November 3, 2018 identified in connection with the evaluation by our management, including our Chief Executive Officer and Chief Financial Officer, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Not applicable.

Item 1A. Risk Factors.

There have been no material changes to the risk factors disclosed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended February 3, 2018, as filed with the Securities Exchange Commission on April 4, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Information on Share Repurchases

The number of shares of common stock repurchased by TJX during the third quarter of fiscal 2019 and the average price paid per share are as follows:

	Total Number of Shares Repurchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs(3)
August 5, 2018 through September 1, 2018	5,911,984	\$ 50.74	5,911,984	\$ 2,835,784,975
September 2, 2018 through October 6, 2018	1,982,868	\$ 55.48	1,982,868	\$ 2,725,785,078
October 7, 2018 through November 3, 2018	3,476,242	\$ 54.66	3,476,242	\$ 2,535,789,638
Total:	11,371,094		11,371,094	

(1) Consists of shares repurchased under publicly announced stock repurchase programs.

(2) Includes commissions for the shares repurchased under stock repurchase programs.

(3) In February 2018, the Company announced that its Board of Directors had approved a new stock repurchase program that authorizes the repurchase of up to an additional \$3.0 billion of TJX common stock from time to time, under which \$2.5 billion remained available as of November 3, 2018.

Item 6. Exhibits.

- 3.1 [The Fourth Restated Certificate of Incorporation is incorporated herein by reference to Exhibit 99.1 to the Form 8-A/A filed September 9, 1999. The Certificate of Amendment of Fourth Restated Certificate of Incorporation is incorporated by reference to Exhibit 3.1 to the Form 8-K filed October 22, 2018.](#)
- 10.1 [The Stock Incentive Plan Rules for U.K. Employees, effective as of September 17, 2018.](#)
- 10.2 [The Executive Severance Plan effective September 27, 2018.](#)
- 10.3 [The Executive Severance Plan Participation Agreement dated September 27, 2018 between Carol Meyrowitz and TJX.](#)
- 10.4 [The Executive Severance Plan Participation Agreement dated September 27, 2018 between Ernie Herman and TJX.](#)
- 10.5 [The Executive Severance Plan Participation Agreement dated September 27, 2018 between Scott Goldenberg and TJX.](#)
- 10.6 [The Executive Severance Plan Participation Agreement dated September 27, 2018 between Richard Sherr and TJX.](#)
- 10.7 [The Executive Severance Plan Participation Agreement dated September 27, 2018 between Kenneth Canestrari and TJX.](#)
- 10.8 [The Executive Severance Plan Participation Agreement dated September 27, 2018 between Douglas Mizzi and TJX.](#)
- 31.1 [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101 The following materials from The TJX Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended November 3, 2018, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statement of Shareholders' Equity, and (vi) Notes to Consolidated Financial Statements.
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SIGNATURE

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

THE TJX COMPANIES, INC.
(Registrant)

Date: December 4, 2018

/s/ Scott Goldenberg

Scott Goldenberg, Chief Financial Officer
(Principal Financial and Accounting Officer)

Rules for UK Employees
As amended April 7 2009 and as further amended 17 September, 2018

THE TJX COMPANIES, INC.

THE TJX COMPANIES, INC. STOCK INCENTIVE PLAN

RULES FOR UK EMPLOYEES

Approved by HM Revenue & Customs on August 19, 2009

Amended plan effective as of 17 September, 2018

I hereby state and affirm that the Executive Compensation Committee (“the Committee”) of the Board of Directors of The TJX Companies, Inc. (“TJX”), a company organised under the laws of the State of Delaware, administers The TJX Companies, Inc. Stock Incentive Plan, as amended (“the Plan”) and that the following provisions are applicable in the administration of the Plan with regard to such Options to which these rules are expressed to extend at the time when the Option is granted. Unless the context requires otherwise, all expressions used in these rules have the same meaning as in the Plan; provided that all words and terms not otherwise defined shall have the meaning attributed by Schedule 4 which for the purposes hereof (but for no other purpose) shall take precedence. References in these rules to “Schedule 4” mean Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 (“ITEPA 2003”) and references to any statutory enactment shall be construed as a reference to that enactment as for the time being amended or re-enacted. The Plan, as supplemented by these rules, is referred to hereinafter as the “Sub-Plan”. References in these rules to “Key Feature” shall mean a provision of the Sub-Plan which is necessary in order to meet the requirements of Schedule 4.

- 1 The Stock over which Options may be granted under the Sub-Plan form part of the ordinary share capital (as defined in section 989 Income Taxes Act 2007 (“ITA 2007”) of TJX and will at all times comply with the requirements of paragraphs 16-18 (inclusive) and 20 of Schedule 4.
- 2 The companies participating in the Sub-Plan are TJX and all companies controlled by TJX within the meaning of section 719 of ITEPA 2003 and which have been nominated by TJX to participate for the time being in the Sub-Plan.
- 3 The Stock is quoted on a recognized stock exchange as defined in section 1005 ITA 2007.
- 4 The Stock to be acquired on exercise of the Options will:
 - (a) be fully paid up;
 - (b) not be redeemable.
- 5 If the Stock to be acquired on exercise of the Options is subject to any restrictions, the details of the restrictions shall be stated in the option certificate at the date of grant of the Option. For the purposes of this Sub-Plan, the term restrictions includes restrictions which are deemed to attach to the shares under any contract, agreement, arrangement or condition as referred to in paragraph 36(3) of Schedule 4.
- 6 No Option will be granted to an employee or director under the Sub-Plan, or where an Option has previously been granted no Option shall be exercised by the Optionee if at that time he has, or at any time within the preceding 12 months has had, a material interest for the purposes of Schedule 4 in either TJX being a close company (as defined in section 989 ITA 2007) or in a company being a close company which has control (as defined in section 719 of ITEPA 2003) of TJX, or in a company being a close company and a member of a consortium (as defined in

paragraph 36(2) of Schedule 4) which owns TJX. In determining whether a company is a close company for this purpose section 442(a) of the Corporation Tax Act 2010 ("CTA 2010") (exclusion of companies not resident in the United Kingdom) and sections 446 and 447 of CTA 2010 (exclusion of certain companies with listed shares) shall be disregarded.

- 7 For the purposes of this Sub-Plan "Fair Market Value" shall be as defined in Section 14(r) of the Plan except that (i) in the event that the Stock is not traded on the New York Stock Exchange, the Fair Market Value shall be subject to agreement with HM Revenue & Customs and (ii) in respect of Options granted on or after 17 July 2013, the Fair Market Value of a share of Stock subject to a restriction shall be determined as if it were not subject to the restriction.
- 8 (a) At the discretion of the Committee, an alteration or amendment to a Key Feature of the Sub-Plan shall either (i) take effect only from the day on which HM Revenue & Customs receive the notification and declaration required by paragraph 28B of Schedule 4, or (ii) take effect immediately.
- (b) For the purposes of the Sub-Plan (notwithstanding anything contained in Section 3(b) of the Plan) no adjustment pursuant to any of the provisions of the Plan shall be made to any Option which has been granted under the Sub-Plan unless such adjustment would be permitted under paragraph 22 of Schedule 4.
- (c) Terms and conditions imposed on Options shall be stated at the date of grant of the Option and the powers of the Committee to impose terms and conditions as set out in Section 2 of the Plan shall be construed accordingly. Terms and conditions in connection with performance may be amended or waived if an event(s) occurs which causes the Committee to consider that such terms and conditions cease to be appropriate. Any amendment to the terms and conditions may be made by the Committee acting fairly and reasonably and provided that the amended terms and conditions are objective and are no more difficult to achieve.
- (d) For the purposes of the Sub-Plan, Section 13(e) of the Plan which refers to participant deferrals of awards shall not form part of and shall therefore be disregarded for the purposes of the Sub-Plan.
- 9 For the avoidance of doubt it is stated that TJX is and will be the grantor; and TJX is and will be the scheme organiser as defined in paragraph 2 (2) of Schedule 4.
- 10 (a) No Option shall be granted to an employee or director under this Sub-Plan if the grant of that Option would cause the aggregate market value of Stock (determined at the time prescribed by paragraph 6 of Schedule 4 and calculated in accordance with the provisions of Schedule 4) which he can acquire under this Sub-Plan and any other scheme approved under Schedule 4 and established by the grantor or by any associated company (as defined in paragraph 35 of Schedule 4) of the grantor (and not exercised) to exceed the limits prescribed by paragraph 6 of Schedule 4. For the purposes of this Sub-Plan the United Kingdom Sterling equivalent of the market value of a share of Stock on any day shall be determined by taking the highest buying of the spread for that day as shown in the Financial Times.
- (b) To the extent that any purported grant of an Option exceeds the limit prescribed in this Rule 10 it shall be deemed to comprise such number of shares of Stock as may be equal to, but not exceed, such limit.
- 11 An Option will only be granted under the Sub-Plan to an employee (other than a director) of the Company or a company participating in the Sub-Plan whose hours of work are at least 20

hours per week or a full-time director of TJX (or a company participating in the Sub-Plan) whose hours of work exceed 25 hours per week, in both cases exclusive of meal breaks.

- 12 Upon exercise of an Option, TJX shall, as promptly as practicable but not later than 30 days thereafter mail or deliver to the Optionee a stock certificate or certificates representing the Stock then purchased subject to any delay necessary to complete (a) the listing of such Stock on any stock exchange upon which Stock of the same class is then listed, (b) such registration or other qualification of such Stock under any state or federal law, rule or regulation as TJX may determine to be necessary or advisable, and (c) the making of provision for the payment or withholding of any taxes required to be withheld pursuant to any applicable law, in respect of the exercise of such Option. Such Stock shall be identical and shall carry the same rights and restrictions which attach to all shares of Common Stock then in issue and the last sentence in Section 6(e) of the Plan shall not form part of and shall therefore be disregarded for the purposes of the Sub-Plan.
- 13 The price of shares of Stock shall be paid for in cash or by cheque or by funds provided on loan by a broker or bank or other person as the case may be and Section 6(c) of the Plan shall for the purposes of the Sub-Plan be construed accordingly. For the avoidance of doubt the price of shares of Stock shall not be paid for on the exercise of an Option granted under this Sub-Plan by shares or other securities under the Plan.
- 14 Section 12 of the Plan is, to the extent applicable, included for the purposes of this Sub-Plan under paragraph 25A(1) and 25A(7) (as applicable) of Schedule 4.
- 15 For the avoidance of doubt no Option granted under this Sub-Plan shall be exercisable later than 10 years after the date of grant and for the purposes of the Sub-Plan Section 5(a) and Section 5(b) of the Plan shall be construed accordingly.
- 16 The following provisions of the Plan shall not form part of and shall therefore be disregarded for the purposes of the Sub-Plan:
- (a) save as provided in Section 12 of the Plan the facility to accelerate exercise of the Option wherever it appears in the Plan.
 - (b) the transfer of Options by will or laws of descent and distribution or gratuitous transfers of Options during the Optionee's lifetime as permitted by the Committee, but personal representatives of the deceased may exercise Options within 12 months of the date of death of the Optionee. Sections 6(b) and 6(d) shall be construed accordingly.
 - (c) Sections 3(c), 6(f), 6(g), 7 and 8 inclusive. For the avoidance of doubt this Sub-Plan shall only apply to stock options.
- 17 The Committee shall act fairly and reasonably in exercising their discretion wherever it so provides in respect of Options to which this Sub-Plan applies.

Signed:

THE TJX COMPANIES, INC.

/s/ Scott Goldenberg

Authorised Signatory

Date: 17 September 2018

The TJX Companies, Inc. Executive Severance Plan

1. Effective Date; Introduction. The Plan shall be in effect from and after the Effective Date until it is terminated in accordance with Section 9 below. The purpose of the Plan is to provide certain benefits upon and following termination of employment to, and to obtain or continue in force for the Employer's benefit certain binding commitments by, Participants as set forth in more detail below. As to any Participant, and except as hereinafter provided, the Plan:
 - (a) supersedes the provisions of any noncompetition covenant by which the Participant might otherwise be bound that is contained in any agreement, plan or program of the Employer or to which the Employer is a party (any such covenant, an "other noncompetition covenant"); *provided*, that to the extent any other agreement, plan or program of the Employer or to which the Employer is a party refers to an other noncompetition covenant (whether set forth therein or elsewhere), it shall be deemed instead to refer, *mutatis mutandis*, to the noncompetition provisions of Section 8 hereof; *and further provided*, for the avoidance of doubt, that nothing herein shall be deemed to have superseded any other restrictive covenant (for example, relating to nonsolicitation or confidentiality) in any other agreement, plan or program; and
 - (b) applies to all Covered Benefits (and to the extent any Covered Benefit is provided under, or otherwise governed by, the terms of any other agreement, plan or program, the Plan shall be deemed to have supplemented, amended and as applicable superseded any inconsistent provisions of such other agreement, plan or program).

For the avoidance of doubt, nothing in the Plan shall be construed as affecting a Participant's entitlement to any benefits under any tax qualified pension plan of the Employer. For the further avoidance of doubt, nothing in the Plan or in any Participation Agreement shall be construed to result, whether under the Plan or any other agreement, plan or program of the Employer or to which the Employer is a party, or any combination thereof, in any duplication of any benefit. Without limiting the generality of the Administrator's discretionary authority under Section 3, the Administrator will have compete discretion to apply the preceding "non-duplication" provision and the Administrator's determination as to the application of this Section 1 in any case shall be final and binding on all parties.

2. Definitions. Terms used in the Plan that are not otherwise defined shall have the meanings set forth in Appendix A, the provisions of which are incorporated herein by reference.
3. Plan Administration. The Plan is intended to be a "welfare plan" as defined in Section 3(1) of ERISA that is described in Sections 201(2), 301(a)(2) and 401(a)(1) of ERISA, and shall be construed accordingly. The Plan shall be administered by the Administrator. No individual who is a Participant or Eligible Employee shall, or shall have any power or authority hereunder to, exercise any power or make any determination as Administrator that could affect such individual's rights or interests under the Plan. Subject to the foregoing and further subject to Section 10(d), the Administrator shall have the power and authority to: administer all aspects of the Plan; construe and interpret the provisions of the Plan; determine all questions arising in connection with Plan administration; adopt such rules for Plan administration as it deems necessary or desirable; and delegate such duties as it deems necessary or desirable (and the term Administrator shall be deemed to include such delegate acting within the scope of the delegation). The Administrator shall discharge its duties and exercise its authority in its absolute discretion, on a group or case-by-case basis, and any reference in this Plan to any determination or other action by the Administrator shall mean the Administrator acting in its absolute discretion.
4. Effect of Participation Agreement. By executing a Participation Agreement, a Participant shall be deemed to have agreed to all provisions of the Plan applicable to such Participant (that is, the generally applicable provisions of the Plan as modified by the Participation Agreement).

5. General Release. Except for payment of any accrued and unpaid base salary and subject to such exceptions as the Administrator in its discretion may determine for the payment of other amounts accrued and vested prior to the Date of Termination, any obligation of the Company to provide compensation or benefits under the Plan and (to the extent permitted by law) any vesting of unvested compensation or benefits in connection with or following the Participant's termination of employment, are expressly conditioned on the Participant's execution and delivery to the Administrator of an effective release of claims (based on the form the Company generally uses for similarly-situated employees or executives and in such manner as the Administrator may determine, provided that such release shall not contain terms materially inconsistent with the terms of the Plan (including, without limitation and for the avoidance of doubt, the addition or expansion of any restrictive covenants)) as to which all applicable rights of revocation, as determined by the Administrator, shall have expired prior to the sixtieth (60th) calendar day following the Date of Termination (any such timely and irrevocable release, the "Release of Claims"); provided, that in the event of the Participant's death or incapacity where for unanticipated reasons it is not reasonably practicable for the Participant or his or her representative to give an irrevocable Release of Claims within such period, the Administrator shall consider an extension of the period for delivery of an irrevocable Release of Claims on a basis that in the Administrator's reasonable determination is consistent with Section 409A and adequately protects the interests of the Company. Any compensation and benefits that are conditioned on the delivery of the Release of Claims under this Section 5 and that otherwise would have been payable prior to such sixtieth (60th) calendar day (determined, for the avoidance of doubt, after taking into account any other required delays in payment, including any six-month delay under Appendix B of the Plan) shall, if the Release of Claims is delivered, instead be paid on such sixtieth (60th) day, notwithstanding any provision of this Plan regarding the time of such payments. The release of claims contemplated by this Section 5 shall be delivered by the Company to a Participant as soon as reasonably practicable after the Date of Termination with respect to such Participant.
6. Severance Benefits. In the event of a Participant's Qualifying Termination, the Participant (or, in the event of his or her death, his or her legal beneficiary) shall be entitled to the following Severance Benefits, subject in all cases to the terms of the Plan:
- (a) Salary continuation. During the applicable period (the "Termination Period") set forth in the Participant's Participation Agreement, the Employer will pay to the Participant or his or her legal representative, without reduction for compensation earned from other employment or self employment, continued base salary at the rate in effect at termination of employment in accordance with its regular payroll practices for executive employees of the Employer (but not less frequently than monthly); *provided*, that if the Participant is a Specified Employee at the relevant time, the base salary that would otherwise be payable during the six-month period beginning on the Date of Termination shall instead be accumulated and paid, without interest, in a lump sum on the date that is six (6) months and one day after such date (or, if earlier, the date of the Participant's death); *and further provided*, that if the Participant is eligible for long-term disability compensation benefits under the Employer's long-term disability plan, the amount payable under this clause shall be paid at a rate equal to the excess of (i) the rate of base salary in effect at termination of employment, over (ii) the long-term disability compensation benefits for which the Participant is approved under such plan.
- (b) Additional COBRA-related payment. If the Participant elects so-called "COBRA" continuation of group health plan coverage provided pursuant to Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, there shall be added to the amounts otherwise payable under Section 6(a) above, during the continuation of such coverage but not beyond the end of the Termination Period, an amount (grossed up for federal and state income taxes) equal to the participant cost of such coverage, except to the extent that the Participant shall obtain no less favorable coverage from another employer or from self-employment in which case such additional payments shall cease immediately. For the avoidance of doubt, the Participant shall not be eligible for continuation of group health plan coverage from and after the Date of Termination except for any "COBRA" continuation as described in this Section 6(b).
- (c) Earned but unpaid MIP and LRPPI. The Employer will pay to the Participant or his or her legal representative, without offset for compensation earned from other employment or self-employment, (A) any unpaid amounts to which the Participant is entitled under MIP for the fiscal year of the Company ended immediately prior to the Participant's termination of employment, *plus* (B) any unpaid amounts owing with respect to LRPPI cycles in which the Participant participated and which were completed prior to termination. These amounts will be paid at the same time as other awards for such prior year or cycle are paid.
- (d) Prorated MIP for open fiscal year (except following termination due to death or Disability). For any MIP performance period in which the Participant participates that begins before and ends after the Date of Termination, and at the same time as other MIP awards for such performance period are paid, but in no event later than by the fifteenth (15th) day of the third (3rd) month following the close of the fiscal year to which such MIP award relates, the Company will pay to the Participant or his or her legal representative, without offset for compensation earned from other employment or self-employment, an amount equal to (A) the MIP award, if any, that the Participant would have earned and been paid had he or she continued in office through the end of such fiscal year, determined without regard to any adjustment for individual performance factors, multiplied by (B) a fraction, the numerator of which is three hundred and sixty-five (365) plus the number of days during such fiscal year prior to termination, and

the denominator of which is seven hundred and thirty (730); *provided, however*, that if the Employment Period shall have terminated by reason of the Participant's death or Disability, this clause (d) shall not apply and the Participant instead shall be entitled to the MIP benefit described in Section 6(h) below.

(e) Prorated LRPIP for open cycles. For each LRPIP cycle in which the Participant participates that begins before and ends after the Date of Termination, and at the same time as other LRPIP awards for such cycle are paid, but in no event later than by the fifteenth (15th) day of the third (3rd) month following the close of the last of the Company's fiscal years in such cycle, the Employer will pay to the Participant or his or her legal representative, without offset for compensation earned from other employment or self-employment, an amount equal to (A) the LRPIP award, if any, that the Participant would have earned and been paid had he or she continued in office through the end of such cycle, determined without regard to any adjustment for individual performance factors, multiplied by (B) a fraction, the numerator of which is the number of full months in such cycle completed prior to termination of employment and the denominator of which is the number of full months in such cycle.

(f) Stock Incentive Plan benefits; vested retirement plan benefits. The Participant or his or her legal representative shall be entitled to any awards, or the benefit under any awards, made under the Stock Incentive Plan, and to payment of his or her vested benefits, if any, under any tax-qualified and non-tax qualified retirement plans of the Company, including but not limited to such benefits as the Participant may be owed as a result of his or her participation, if any, under the Company's tax-qualified profit-sharing and retirement plans, under The TJX Companies, Inc. Supplemental Executive Retirement Plan ("SERP"), under the Company's frozen General Deferred Compensation Plan ("GDCCP") and under the Company's Executive Savings Plan ("ESP"), in each case as of the Date of Termination and in accordance with and subject to the terms of the applicable plan, program or arrangement.

(g) Coordination with long-term disability. If termination occurs by reason of Disability, the Participant shall also be entitled to such compensation, if any, as is payable pursuant to the Employer's long-term disability plan. To avoid duplication of benefits, if for any period the Participant receives long-term disability compensation payments under a long-term disability plan of the Employer as well as payments under Section 6(a) above, and if the sum of such payments for any period exceeds the payment for such period to which the Participant is entitled under Section 6(a) above (determined without regard to the second proviso set forth therein), he or she shall promptly pay such excess in reimbursement to the Employer.

(h) MIP for open fiscal year following termination due to death or Disability. If termination occurs by reason of death or Disability, the Participant shall also be entitled to an amount equal to the Participant's MIP Target Award for the fiscal year in which the Date of Termination occurs (or if MIP Target Awards for such fiscal year have not yet been granted as of the Date of Termination, the Participant's MIP Target Award for the prior fiscal year), without proration and based on the Participant's base salary rate in effect at termination. This amount will be paid at the same time as other MIP awards for such performance period are paid.

(i) Automobile benefits; no other benefits. Except as expressly set forth above or as required by law, the Participant shall not be entitled to continue participation during the Termination Period in any employee benefit or fringe benefit plans, except for continuation of any automobile allowance which shall be added to the amounts otherwise payable under Section 6(a) above during the continuation of such coverage but not beyond the end of the Termination Period.

7. Payment of Covered Benefits. The Administrator will cause all Severance Benefits to be paid in accordance with the applicable terms of the Plan and all other Covered Benefits in accordance with the terms of the applicable agreement, plan or program, subject in all events to the tax withholding provisions incorporated into the Plan by Section 10(e) and, for the avoidance of doubt, in a manner consistent with the payment and timing rules of Section 409A. If a Participant dies before receiving all Covered Benefits to which he or she remained entitled at death, the Employer will pay the remainder of such Covered Benefits (subject, in the case of Covered Benefits that are not Severance Benefits, to the terms of the applicable agreement, plan or program) to the deceased Participant's estate.
8. Restrictive covenants. Without limiting the generality of Section 4, by his or her execution of a Participation Agreement a Participant agrees to be irrevocably bound by the limitations of this Section 8 as well as the other provisions of the Plan during the Employment Period and following a termination of employment from the Company or the Employer for any reason and regardless of whether, in connection with such termination, the Participant is entitled to any Severance Benefits.

(a) Nonsolicitation. During the Employment Period and for a period of twenty-four (24) months thereafter (the "Nonsolicitation Period"), the Participant shall not, and shall not direct any other individual or entity to, directly or indirectly (including as a partner, shareholder, joint venturer or other investor) (i) hire, offer to hire, attempt to hire or assist in the hiring of,

any “protected person” as an employee, director, consultant, advisor or other service provider, (ii) recommend any protected person for employment or other engagement with any person or entity other than the Company and its Subsidiaries, (iii) solicit for employment or other engagement any protected person, or seek to persuade, induce or encourage any protected person to discontinue employment or engagement with the Company or its Subsidiaries, or recommend to any protected person any employment or engagement other than with the Company or its Subsidiaries, (iv) accept services of any sort (whether for compensation or otherwise) from any protected person, or (v) participate with any other person or entity in any of the foregoing activities. Any individual or entity to which the Participant provides services (as an employee, director, consultant, advisor or otherwise) or in which the Participant is a shareholder, member, partner, joint venturer or investor, excluding interests in the common stock of any publicly traded corporation of one percent (1%) or less, and any individual or entity that is affiliated with any such individual or entity, shall, for purposes of the preceding sentence, be presumed to have acted at the direction of the Participant with respect to any “protected person” who worked with the Participant at any time during the six (6) months prior to termination of the Employment Period. A “protected person” is a person who at the time of termination of the Employment Period, or within six (6) months prior thereto, is or was employed by the Company or any of its Subsidiaries either in a position of Assistant Vice President or higher, or in a salaried position in any merchandising group. As to (I) each “protected person” to whom the foregoing applies, (II) each subcategory of “protected person,” as defined above, (III) each limitation on (A) employment or other engagement, (B) solicitation and (C) unsolicited acceptance of services, of each “protected person” and (IV) each month of the period during which the provisions of this subsection (a) apply to each of the foregoing, the provisions set forth in this subsection (a) shall be deemed to be separate and independent agreements. In the event of unenforceability of any one or more such agreement(s), such unenforceable agreement(s) shall be deemed automatically reformed in order to allow for the greatest degree of enforceability authorized by law or, if no such reformation is possible, deleted from the provisions hereof entirely, and such reformation or deletion shall not affect the enforceability of any other provision of this subsection (a) or any other term of the Plan.

(b) *Noncompetition.* During the course of his or her employment, the Participant will have learned vital trade secrets of the Company and its Subsidiaries and will have access to confidential and proprietary information and business plans of the Company and its Subsidiaries. Therefore, during the Employment Period and for the duration of the “Noncompetition Period” set forth in the Participant’s Participation Agreement, except as the Board or a committee thereof shall have approved, the Participant will not, directly or indirectly, be a shareholder, member, partner, joint venturer or investor (disregarding in this connection passive ownership for investment purposes of common stock representing one percent (1%) or less of the voting power or value of any publicly traded corporation) in, serve as a director or manager of, be engaged in any employment, consulting, or fees-for-services relationship or arrangement with, or advise with respect to the organization or conduct of, or any investment in, any “competitive business” as hereinafter defined or any Person that engages in any “competitive business” as hereinafter defined, nor shall the Participant undertake any planning to engage in any such activities. The term “competitive business” (i) shall mean any business (however organized or conducted, including, without limitation, an on-line, “ecommerce” or other internet-based business) that competes with a business in which the Company or any of its Subsidiaries was engaged, or in which the Company or any Subsidiary was planning to engage, at any time during the twelve (12)-month period immediately preceding the date on which the Employment Period ends, and in any geographic area in which the Company does business or was actively planning to do business during the Participant’s employment with the Employer or as of the Date of Termination and (ii) shall conclusively be presumed to include, but shall not be limited to, any off-price, reverse logistics, promotional, or warehouse-club-type retail business, however organized or conducted (including without limitation, an on-line, “ecommerce” or other internet-based business), that sells apparel, footwear, home fashions, home furnishings, jewelry, accessories, or any other category of merchandise sold by the Company or any of its Subsidiaries at the termination of the Employment Period. For purposes of this subsection (b), a “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or its Subsidiaries, and reference to any Person (the “first Person”) shall be deemed to include any other Person that controls, is controlled by or is under common control with the first Person. If, at any time, pursuant to action of any court, administrative, arbitral or governmental body or other tribunal, the operation of any part of this subsection shall be determined to be unlawful or otherwise unenforceable, then the coverage of this subsection shall be deemed to be reformed and restricted as to substantive reach, duration, geographic scope or otherwise, as the case may be, to the extent, and only to the extent, necessary to make this paragraph lawful and enforceable to the greatest extent possible in the particular jurisdiction in which such determination is made.

(c) *Confidentiality: Company documents.* The Participant shall never use or disclose any confidential or proprietary information of the Company or its Subsidiaries other than as required by applicable law or during the Employment Period for the proper performance of the Participant’s duties and responsibilities to the Company and its Subsidiaries. All documents, records and files, in any media, relating to the business, present or otherwise, of the Company and its Subsidiaries and any copies (“Documents”), whether or not prepared by the Participant, are the exclusive property of the Company and its Subsidiaries. The

Participant must diligently safeguard all Documents, and must surrender to the Company at such time or times as the Administrator may specify all Documents then in the Participant's possession or under his or her control. In addition, upon termination of employment for any reason other than the death of the Participant, the Participant shall immediately return all Documents, and shall execute a certificate representing and warranting that he or she has returned all such Documents in the Participant's possession or under his or her control. Nothing in the Plan or any Participation Agreement (i) limits, restricts or in any other way affects the Participant's communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity or (ii) requires the Participant to notify the Company about such communication. Further, the Participant cannot be held criminally or civilly liable under any federal or state law (including trade secret laws) for disclosing a trade secret or confidential information (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, the Participant may be held liable if he or she unlawfully accesses trade secrets or confidential information by unauthorized means.

(d) *Consequences of breach.* If, during the Employment Period or at any time following termination of the Employment Period, regardless of the reason for such termination, the Participant breaches any provision of this Section 8, the Employer's obligation, if any, to pay benefits under Section 6 hereof shall forthwith cease and the Participant (or, if the Participant shall have died, his or her legal representative) shall immediately forfeit and disgorge to the Company, with interest at the prime rate in effect at Bank of America, or its successor, all of the following: (i) any benefits theretofore paid or payable to the Participant under Section 6; (ii) any unexercised stock options and stock appreciation rights held by the Participant; (iii) if any other stock-based award vested in connection with or following termination of the Employment Period, or at any time subsequent to such breach, the value of such stock-based award at time of vesting plus any additional gain realized on a subsequent sale or disposition of the award or the underlying stock; (iv) in respect of each stock option or stock appreciation right exercised by the Participant within six (6) months prior to any such breach or subsequent thereto and prior to the forfeiture and disgorgement required by this Section 8, the excess over the exercise price (or base value, in the case of a stock appreciation right) of the greater of (A) the fair market value at time of exercise of the shares of stock subject to the award, or (B) the number of shares of stock subject to such award multiplied by the per-share proceeds of any sale of such stock by the Participant; and (v) any Covered Benefit not specifically referenced in Section 8(d)(i), (ii), (iii) or (iv).

(e) *Notice and information requirements.* In order to ensure the Participant's compliance with the terms hereof during the Noncompetition Period and the Nonsolicitation Period, the Participant shall notify the Administrator in writing of any change in his or her address and of each new job or other business activity in which he or she plans to engage at least two (2) weeks prior to engaging in such job or activity. Such notice shall state the name and address of any new employer and the nature of the Participant's position. The Participant further agrees to provide the Administrator with any other pertinent information concerning such business activity as the Administrator may reasonably request in order to determine the Participant's continued compliance with the terms hereof.

(f) *Acknowledgments.* The Participant (i) has advised the Administrator that the Participant has carefully read and considered all the terms and conditions of the Plan, including the restraints imposed on the Participant under this Section 8, and agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, confidential information and other legitimate business interests of the Company and its Subsidiaries, that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area, and that these restraints will not prevent the Participant from obtaining other suitable employment during the period in which the Participant is bound by them; (ii) agrees that he or she will never assert, or permit to be asserted on his or her behalf, in any forum, any position contrary to the foregoing; (iii) acknowledges and agrees that, were the Participant to breach any of the provisions of this Section 8, the harm to the Company and its Subsidiaries would be irreparable and therefore agrees that, in the event of such a breach or threatened breach, the Company shall, in addition to any other remedies available to it and notwithstanding Section 10(d), have the right to preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and will additionally be entitled to an award of attorney's fees incurred in connection with enforcing its rights hereunder; (iv) further agrees that, in the event that any provision of the Plan shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, or for any other reason, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law; (v) and, finally, agrees that the Noncompetition Period and the Nonsolicitation Period shall be tolled, and shall not run, during any period of time in which the Participant is in violation of any of the terms of this Section 8, in order that the Company shall have the agreed-upon temporal protection recited herein.

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

(h) *Binding effect; successors and assigns*. The Participant expressly consents to be bound by the provisions of the Plan for the benefit of the Company and its Subsidiaries, and any successor or permitted assign to whose employ the Participant may be transferred, without the necessity that any Participation Agreement or similar agreement be re-signed at the time of such transfer. The Participant further agrees that no changes in the nature or scope of his or her employment with the Employer will operate to extinguish the terms and conditions set forth in Section 8, or otherwise require the parties to re-sign a Participation Agreement or similar agreement.

(i) *Survival*. The provisions of this Section 8 shall survive the termination of the Employment Period and the termination of the Plan, regardless of the reason or reasons therefor, and shall be binding on the Participant regardless of any breach by the Company or any of its Subsidiaries of any other provision of the Plan and regardless of whether such termination is a Qualifying Termination.

9. Amendment and Termination. The Committee reserves the right to amend, suspend or terminate the Plan at any time, for any reason, prospectively or retroactively, in whole or in part, by written instrument executed by a duly authorized officer of the Company; *provided*, that no such action shall materially and adversely impair the rights under the Plan of any Participant, without his or her express written consent. The Administrator further reserves the right to waive any obligation of a Participant under or restriction imposed upon a Participant by the Plan, but no such waiver shall be construed as a waiver of any other provision of the Plan.

10. Miscellaneous.

(a) *No Assignment or Alienation*. Assignment or alienation of any Severance Benefits will not be permitted or recognized except as required by applicable law.

(b) *No Employment Rights*. The Plan does not confer on any Eligible Employee the right to continued employment for a specific term. No Eligible Employee shall be entitled, by reason of the Plan, to remain employed by the Employer and nothing in the Plan restricts the Employer's right to terminate any Eligible Employee's employment at any time.

(c) *Funding*. Benefits payable under the Plan shall be paid from the general assets of the Employer. No trust fund or other segregated fund shall be required to be established for this purpose.

(d) *Claims*. Any claim or dispute arising out of or relating to the Plan as applied to a Participant shall (except as otherwise provided in Section 8(f)) be settled exclusively by binding arbitration in Boston, Massachusetts in accordance with the JAMS Employment Arbitration Rules & Procedures applicable at the time of commencement of the arbitration by an arbitrator mutually agreed upon by a Participant and the Company or, in the absence of such agreement, by an arbitrator selected according to such Rules. Notwithstanding the foregoing, if either the Company or a Participant shall request, such arbitration shall be conducted by a panel of three arbitrators, one selected by the Company, one selected by the Participant and the third selected by agreement of the first two, or, in the absence of such agreement, in accordance with such Rules. In reviewing a decision of the Administrator, the parties agree that the arbitrator(s) shall not be required to defer to any determination of the Administrator. Judgment upon any award rendered by such arbitrator(s) shall be entered in any court having jurisdiction thereof upon the application of either party.

For the avoidance of doubt, the provisions of Section 10(d) of the Plan shall apply in a Participant's case in lieu of any pre-arbitration administrative procedure that would otherwise be prescribed by the Administrator for the review of benefit claims, whether under ERISA Section 503 or otherwise, unless the Participant in his or her sole discretion shall request in writing that any contested claim be considered instead in accordance with ERISA Section 503 procedures, in which case such ERISA Section 503 procedures shall apply.

(e) *Taxes*. The Tax Matters attached hereto as Appendix B are hereby incorporated by reference.

- (f) *Applicable Law.* The Plan shall be governed by and construed in accordance with ERISA, except that matters under the Plan not preempted by ERISA shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to its conflict-of-laws provisions. Subject to Section 10(d), each Participant agrees to (i) submit irrevocably and unconditionally to the jurisdiction of the federal and state courts located within the geographic boundaries of the United States District Court for the District of Massachusetts for the purpose of any suit, action or other proceeding arising out of or based upon the Plan or any Participation Agreement; (ii) not commence any suit, action or other proceeding arising out of or based upon the Plan or any Participation Agreement, except in the federal and state courts located within the geographic boundaries of the United States District Court for the District of Massachusetts; and (iii) waive, and not assert, by way of motion as a defense or otherwise, in any such suit, action or proceeding, any claim that he or she is not subject personally to the jurisdiction of the above-named courts, that his or her property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the Plan or any Participation Agreement or the subject matter thereof may not be enforced in or by such court.
- (g) *Plan Year.* The plan year is the calendar year.

APPENDIX A

Definitions

For purposes of the Plan, the following terms shall have the meanings set forth below:

- (a) “Administrator”: The Committee and such other persons, including without limitation committees or subcommittees, as the Committee may designate to administer the Plan, in each case to the extent of the powers and duties delegated to them by the Committee hereunder.
- (b) “Board”: The board of directors of the Company.
- (c) “Cause”: As to any Participant, the definition of “Cause” contained in any employment agreement or similar agreement between the Participant and the Employer, as in effect on the Date of Termination.
- (d) “Change of Control”: As to any Participant, a “change of control” of the Company as defined in the Participant’s employment agreement with the Employer or, in the absence of any such agreement, in the Company’s Stock Incentive Plan or any successor plan.
- (e) “Committee”: The Executive Compensation Committee of the Board.
- (f) “Company”: The TJX Companies, Inc.
- (g) “Covered Benefit”: A benefit (including but not limited to a Severance Benefit, a cash incentive or equity award benefit, or a nonqualified deferred compensation benefit) payable or available to a Participant in whole or in part in connection with or following termination of the Employment Period for any reason, whether provided under the Plan or another agreement, plan or program of the Employer or to which the Employer is a party, or any combination thereof, including without limitation accelerated or continued vesting or the payment or delivery of cash or property, to the extent the receipt or retention of such benefit is, by the terms hereof or of such other agreement, plan or program, conditioned upon compliance by the Participant with any nonsolicitation, noncompetition or confidentiality covenant of a type covered by Section 8 of the Plan (or would be so conditioned but for the supersession provisions of Section 1(a) of the Plan); *provided*, that the term “Covered Benefit” shall not include any benefit to the extent payable by reason of a Change of Control.
- (h) “Date of Termination”: The date of termination of a Participant’s employment with the Employer.

- (i) Effective Date: September 27, 2018
- (j) “Eligible Employee”: Except as otherwise determined by the Administrator, an individual who is employed by the Employer as an executive officer of the Company or other U.S.-based executive at or above the division president job level.
- (k) “Employment Period”: In the case of any Participant, the period during which the Participant is employed by the Employer.
- (l) “Employer”: The Company and its Subsidiaries, or any of them, as the context requires.
- (m) “ERISA”: The Employee Retirement Income Security Act of 1974, as amended.
- (n) “LRPIP”: The Company’s Long Range Performance Incentive Plan, as amended from time to time, including any successor.
- (o) “MIP”: The Company’s Management Incentive Plan, as amended from time to time, including any successor.
- (p) “Participant”: An Eligible Employee from and after the date he or she has executed and delivered to the Administrator a Participation Agreement.
- (q) “Participation Agreement”: The instrument, in a form determined by or acceptable to the Administrator, by which an Eligible Employee becomes a Participant. The Administrator may prescribe different terms for different Participation Agreements, including, without limitation, to the extent the Administrator so determines, different Severance Benefits, different restrictive covenants, and different definitions of Qualifying Termination, and shall determine the manner and time period in which a Participation Agreement is to be executed and delivered. With respect to the parties thereto, each Participation Agreement shall be deemed to have been incorporated into the Plan and shall form a part hereof.
- (r) “Plan”: The TJX Companies, Inc. Executive Severance Plan as set forth herein, as the same may be amended and in effect from time to time in accordance with the terms hereof. For the avoidance of doubt, as to any Participant, references to the Plan shall be deemed to include the terms of his or her Participation Agreement.
- (s) “Qualifying Termination”: As to any Participant, the termination of the Participant’s employment occurring prior to a Change of Control by reason of (a) the Participant’s death or Disability, (b) termination by the Employer for any reason other than Cause, (c) termination by the Participant within one hundred twenty (120) days of a requirement by the Employer that the Participant relocate, without his or her prior written consent, more than forty (40) miles from the current corporate headquarters of the Company (but only if (i) the Participant shall have given to the Administrator notice of intent to terminate within sixty (60) days following notice to the Participant of such required relocation and (ii) the Employer shall have failed, within thirty (30) days thereafter, to withdraw its notice requiring the Participant to relocate (for purposes of the foregoing, the one hundred twenty (120) day period shall commence upon the end of the thirty (30)-day cure period, if the Employer fails to cure within such period)), or (d) termination at the end of any term of employment defined under an employment agreement between the Participant and the Employer, unless the Employer in connection therewith shall have offered to the Participant continued service in a position comparable to the position in which the Participant was serving immediately prior to such end date, as reasonably determined by the Administrator. For purposes of the Plan, the term “Disability” shall have the meaning set forth in any employment agreement or similar agreement between the Participant and the Employer, as in effect on the Date of Termination, or, in the absence of any such agreement, shall have the meaning set forth in the Employer’s long term disability plan.
- (t) “Release of Claims”: The form of general release, as described in Section 5, to be executed by a Participant as a condition to receiving any Severance Benefits under the Plan.
- (u) “Severance Benefits”: The benefits payable to or in respect of a Participant upon a Qualifying Termination, as specified in Section 6 of the Plan. A Participant’s right to receive Severance Benefits under the Plan or to retain any Severance Benefits earlier received shall in each case be subject to Section 8 of the Plan.
- (v) “Stock Incentive Plan”: The Company’s Stock Incentive Plan, as amended from time to time, including any successor.
- (w) “Specified Employee”: A “specified employee” as determined under the “Tax Matters” appendix to the Plan.

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

APPENDIX B

Tax Matters

All Severance Benefits are subject to reduction for applicable tax and other legally or contractually required withholdings and are conditioned upon a Participant’s making arrangements satisfactory to the Administrator for full satisfaction of any such tax or other withholdings.

Severance Benefits under the Plan are intended to comply with the applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (“**Section 409A**”), or the requirements for exemption from Section 409A, and shall be construed and administered accordingly. Nothing in the Plan is intended to constitute a material modification to any Covered Benefit that is “grandfathered” for purposes of determining the applicability of Section 409A. In no event shall the Employer or the Administrator be liable for any tax, penalty, or other loss in connection with any failure or alleged failure to comply with Section 409A or an exemption therefrom. It is intended that no person shall have a “legally binding right” (within the meaning of Section 409A) to Severance Benefits other than an employee who has satisfied all of the Plan’s eligibility requirements (including the requirement to enter into a Participation Agreement, if applicable). The following provisions will apply to the extent Severance Benefits are non-exempt deferred compensation subject to the requirements of Section 409A (“**Deferred Compensation**”), as determined by the Administrator, notwithstanding anything in the Plan or any Participation Agreement to the contrary:

- (a) *“Separation from service” required.* All references in the Plan and any Participation Agreement to “termination of employment” or similar or correlative phrases shall be construed to require a “separation from service” (within the meaning of Section 409A) from the Employer and from all other corporations and trades or businesses, if any, that would be treated as a “service recipient” with the Employer under Section 409A. Any written election by the Administrator for purposes of determining whether a “separation from service” has occurred under Section 409A (subject to any applicable limitations therein) shall be deemed part of this Plan.
- (b) *Installment payments.* Any right to Deferred Compensation that would be paid in a series of installment payments is to be treated as a right to a series of separate payments.
- (c) *Six-month delay for “specified employees”.* If a Plan participant is a “specified employee” at the relevant time (as determined by the Administrator in accordance with Section 409A) (the “**Severance Event**”), Deferred Compensation that would (but for this sentence) be payable within six months following such Severance Event shall instead be accumulated and paid, without interest, on the date that follows the date of such Severance Event by six (6) months and one day (or, if earlier, the date of the Participant’s death). A “specified employee” means an individual who is determined by the Administrator to be a specified employee within the meaning of Section 409A. Any written election by the Administrator for purposes of determining “specified employee” status under Section 409A (subject any applicable limitations therein) shall be deemed part of the Plan.
- (d) *Release requirement and timing of payments.* If the timing of the payment or commencement of Deferred Compensation is contingent upon the expiration of all applicable rights of revocation with respect to any Release of Claims and if the designated period within which such Release of Claims can be revoked begins in one calendar year and ends in the next calendar year, such Deferred Compensation shall be paid or commence, if at all, in the next calendar year.

Name of Participant: Carol Meyrowitz

THE TJX COMPANIES, INC. EXECUTIVE SEVERANCE PLAN**PARTICIPATION AGREEMENT**

This participation agreement (this "Participation Agreement") by and between the undersigned participant ("Participant") and The TJX Companies, Inc. ("TJX") is hereby made and entered into as of September 27, 2018 (the "Participation Date") pursuant to The TJX Companies, Inc. Executive Severance Plan (the "Plan"). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participant and TJX hereby agree as follows:

1. Acceptance of Plan Terms; Acknowledgments. Participant hereby acknowledges and agrees that from and after the Participation Date, she shall be a participant under the Plan and shall be bound by all the terms and conditions thereof and this Participation Agreement, including without limitation as to the Covered Benefits provisions and restrictive covenants set forth therein, except as otherwise set forth below. Participant further acknowledges and agrees that she has had an opportunity to consult with independent legal counsel regarding the contents of this Participation Agreement and the Plan and that she is entering into this Participation Agreement knowingly, voluntarily, and with full knowledge of its significance.
2. Severance Benefits. The Termination Period under Section 6(a) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Sections 6 and 7 of the Plan shall be fully applicable with respect to Participant.
3. Restrictive Covenants. The Noncompetition Period under Section 8(b) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 8 of the Plan shall be fully applicable with respect to Participant.
4. Other Definitions. Except as modified on the attached Schedule, the definitions set forth in Appendix A of the Plan shall be fully applicable with respect to Participant.
5. Employment Agreement Amendment. The employment agreement between Participant and TJX dated January 29, 2016 (the "Employment Agreement"), is hereby amended as of the Participation Date to:
 - (a) Delete Section 5(a) of the Employment Agreement; *provided*, that to the extent other provisions of the Employment Agreement refer to said Section 5(a), they shall be deemed instead to refer, *mutatis mutandis*, to the applicable provisions of Section 6 of the Plan; and
 - (b) Delete Section 8(b) of the Employment Agreement.

Name of Participant: Carol Meyrowitz

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

THE TJX COMPANIES, INC.

By: /s/ Scott Goldenberg

Name: Scott Goldenberg

Title: Chief Financial Officer

Name of Participant: Carol Meyrowitz

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

PARTICIPANT:

/s/ Carol Meyrowitz
Name: Carol Meyrowitz

SCHEDULE

MODIFICATIONS TO SECTIONS 6 & 7 OF THE PLAN

1. Section 6(a) of the Plan is hereby modified by replacing the phrase “at the rate in effect at termination of employment” with the phrase “based on Participant’s FY2016 salary rate” in the fourth line thereof.
2. Section 6(f) of the Plan is hereby replaced in its entirety with the following:

“(f) *Stock Incentive Plan benefits: vested retirement plan benefits.* The Participant or her legal representative shall be entitled to any awards, or the benefit under any awards, made under the Stock Incentive Plan, and to payment of her vested benefits, if any, under any tax-qualified and non-tax qualified retirement plans of the Company, including but not limited to such benefits as the Participant may be owed as a result of her participation, if any, under the Company’s tax-qualified profit-sharing and retirement plans, under The TJX Companies, Inc. Supplemental Executive Retirement Plan (“SERP”), as described in Section 3(d) of the Participant’s Amended and Restated Employment Agreement with the Company dated January 29, 2016, under the Company’s frozen General Deferred Compensation Plan (“GDCCP”) and under the Company’s Executive Savings Plan (“ESP”), in each case as of the Date of Termination and in accordance with and subject to the terms of the applicable plan, program or arrangement; *provided*, for the avoidance of doubt, that nothing in this Section 6(f) shall be construed as entitling the Participant to any Stock Incentive Plan award not yet granted as of the Date of Termination.

Notwithstanding the foregoing, any awards of performance-based restricted stock with LRPIP-based performance criteria (‘Outstanding PBRs Awards’), performance share units (including any similar award, as determined by the Administrator, ‘Outstanding PSUs’) and restricted stock units (including any similar award, as determined by the Administrator, ‘Outstanding RSUs’) in each case granted to Participant under the Stock Incentive Plan and held by Participant on the Date of Termination, shall be treated as follows:

- (A) *Outstanding PBRs Awards.* (A) In the case of any Outstanding PBRs Award for which fewer than two years of the applicable LRPIP performance period have been completed as of the Date of Termination, a portion of the Outstanding PBRs Award, equal to the ratio of the number of fiscal years in such LRPIP performance period beginning after the Date of Termination to the total number of fiscal years in such LRPIP performance period, shall be immediately forfeited; (B) all service conditions remaining with respect to all other or remaining portions of the Outstanding PBRs Awards (after giving effect to any forfeitures described in clause (A) above (the ‘Prorated Outstanding PBRs Awards’)) shall be deemed

satisfied; and (C) subject to Section 8, each Prorated Outstanding PBRs Award shall vest, if at all, on the date on which the Committee certifies as to the LRPiP performance results for the applicable LRPiP performance period (the 'Determination Date') in accordance with the terms of the Prorated Outstanding PBRs Award; provided that, to the extent the Prorated Outstanding PBRs Award does not so vest, the Prorated Outstanding PBRs Award shall be forfeited as of the Determination Date.

- (B) *Outstanding PSUs.* Participant shall be eligible for proration with respect to the service condition applicable to the Outstanding PSUs (the 'Service Condition') as set forth in the award agreement for the Outstanding PSUs; *provided*, that any right to receive or retain shares subject to the Outstanding PSUs for which the Service Condition has been deemed satisfied shall remain subject to applicable performance conditions, with any such shares delivered in accordance with and subject to the terms set forth in such award agreement.
- (C) *Outstanding RSUs.* Participant shall be eligible for prorated vesting with respect to the Outstanding RSUs as set forth in the award agreement for the Outstanding RSUs; *provided*, that any delivery or retention of vested shares subject to the Outstanding RSUs shall be undertaken in accordance with and subject to the terms set forth in such award agreement."

3. Section 6 of the Plan is hereby further modified by adding the following to the end thereof:

"For the avoidance of doubt, the reference to a benefit in this Section 6 shall not be construed as eliminating, limiting, creating or expanding any rights the Participant may otherwise have to the receipt of that or any similar benefit in circumstances other than upon a Qualifying Termination."

4. Section 7 of the Plan is hereby modified by adding a new paragraph at the end thereof, as follows:

"Without limiting the generality of the foregoing, if the Participant terminates her employment voluntarily or elects to retire from service with the Company ('Voluntary Termination'), the Participant or her legal representative shall be entitled to any awards, or the benefit under any awards, made under the Stock Incentive Plan, including any benefits in connection with Special Service Retirement (as defined in the Stock Incentive Plan), and to payment of her vested benefits, if any, under any tax-qualified and non-tax qualified retirement plans of the Company, including but not limited to such benefits as the Participant may be owed as a result of her participation, if any, under the Company's tax-qualified profit-sharing and retirement plans, under SERP, under GDCP and under ESP, in each case as of the Date of Termination and in accordance with and subject to the terms of the applicable plan, program or arrangement; *provided*, for the avoidance of

doubt, that nothing in this Section 7 shall be construed as entitling the Participant to any Stock Incentive Plan award not yet granted as of the date of termination. The Company will also pay to the Participant or her legal representative any unpaid amounts to which the Participant is entitled under MIP for the fiscal year of the Company ended immediately prior to the Participant's termination of employment, plus any unpaid amounts owing with respect to LRPIP cycles in which the Participant participated and which were completed prior to termination of employment, in each case at the same time as other awards for such prior year or cycle are paid. In addition, a Voluntary Termination by the Participant shall be treated as a Qualifying Termination solely for purposes of the payments and benefits described in Section 6(e) and Section 6(f) (and not for purposes of any other provision of Section 6); *provided*, that for purposes of applying Section 6(e) to a Voluntary Termination described in this sentence, instead of using the proration fraction described in Section 6(e)(B), the LRPIP benefit, if any, for each cycle shall be prorated using a fraction, the numerator of which is the number of full fiscal years in such cycle completed prior to the Date of Termination and the denominator of which is the number of fiscal years in such cycle); *and further provided*, for the avoidance of doubt, that Participant shall not be entitled under this Section 7 to any salary continuation or automobile allowance, any amount described in Section 6(b), or any amounts in respect of MIP performance periods that begin before and end after the date of Voluntary Termination."

MODIFICATIONS TO SECTION 8 OF THE PLAN

1. Section 8(b) of the Plan is hereby modified by adding the following language before the last sentence of such section:

"Notwithstanding the foregoing, the Participant will not be deemed to have violated the provisions of this Section 8(b) merely by reason of serving as a director on the board of directors of a company approved for this purpose by the Board or a committee thereof (such service, a 'permitted outside directorship') or merely by reason of being engaged, after the first anniversary of the Date of Termination, in an employment, consulting or other fees-for-services arrangement with an entity that manages a private equity, venture capital or leveraged buyout fund that in turn invests in one or more businesses deemed competitors of the Company and its Subsidiaries under this Section 8(b), provided that (I) such fund is not intended to, and does not in fact, invest primarily in a 'specified competitive business' with respect to the Company as hereinafter defined, and (II) the Participant demonstrates to the reasonable satisfaction of the Company that her arrangement with such entity will not involve the provision of employment, consulting or other services, directly or indirectly, to any 'specified competitive business' with respect to the Company or to the fund with respect to its investment or proposed investment in any 'specified competitive business' with respect to the Company and that she will not participate in any meetings, discussions, or interactions in which any such business or any such proposed investment is proposed or

is likely to be discussed. For purposes of the foregoing, a business shall be deemed a 'specified competitive business' with respect to the Company if and only if (aa) it shall be regarded as a competitor of the Company and its Subsidiaries by retailers generally, or (bb) it shall operate an off-price apparel, off-price footwear, off-price jewelry, off-price accessories, off-price home furnishings and/or off-price home fashions business, including any such business that is store-based, catalogue-based, or an on-line, 'e-commerce' or other off-price internet-based business."

2. Section 8(d) of the Plan is hereby modified by adding the following phrase immediately after the words "Section 6 hereof" in the fourth line of such section and immediately after the words "Section 6" in the seventh line of such section:

" , including without limitation any SERP benefits,"

3. Section 8(e) of the Plan is hereby replaced in its entirety with the following:

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

MODIFICATIONS TO APPENDIX A OF THE PLAN

1. The definition of "Qualifying Termination" in subsection (s) is hereby replaced in its entirety with the following:

"(s) 'Qualifying Termination': As to the Participant, the termination of the Participant's employment occurring prior to a Change of Control by reason of (a) the Participant's death or Disability, (b) termination by the Employer for any reason other than Cause, (c) termination by the Participant within one hundred twenty (120) days of a requirement by the Employer that the Participant relocate, without her prior written consent, more than forty (40) miles from the current corporate headquarters of the Company (but only if (i) the Participant shall have given to the Administrator notice of intent to terminate within sixty (60) days following notice to the Participant of such required relocation and (ii) the Employer shall have failed, within thirty (30) days thereafter, to withdraw its notice requiring the Participant to relocate (for purposes of the foregoing, the one hundred twenty (120) day period shall commence upon the end of the thirty (30)-day cure period, if the Employer fails to cure within such period)), (d) termination at the end of any term of employment defined under an employment agreement between the Participant and the Employer (the 'Employment Agreement'), unless the Employer in connection therewith shall have offered to the Participant continued service in a position on reasonable terms; or (e) in the event that, with respect to Participant's service as a director and Chairman of the Board, Participant (A) is removed from the Board or fails to

be nominated by the Board to serve as a director without her prior written consent, (B) is nominated for election to the Board but fails to be reelected by stockholders and ceases to serve as a director, or (C) is removed or fails to be appointed as Chairman of the Board without her prior written consent. For purposes of this definition, 'service in a position on reasonable terms' shall mean service in a position comparable to the position and title held by Participant immediately prior to the Date of Termination and under terms and conditions that are substantially similar to those set forth in the Employment Agreement and that otherwise apply to the Participant on such Date of Termination. For purposes of the Plan, the term "Disability" shall have the meaning set forth in any employment agreement or similar agreement between the Participant and the Employer, as in effect on the Date of Termination, or, in the absence of any such agreement, shall have the meaning set forth in the Employer's long term disability plan."

2. The definition of "Release of Claims" in subsection (t) is hereby replaced in its entirety with the following:

"(t) 'Release of Claims': The form of general release, as described in Section 5, to be executed by Participant as a condition to receiving any Severance Benefits under the Plan; *provided* that (i) such form of general release shall provide that the following claims are excluded from the release: (A) any claims or rights which cannot be waived by law, including Participant's right to accrued vacation pay; (B) any claims for such Severance Benefits or claims to enforce rights that accrue under an employment agreement between the Participant and the Employer following termination of employment; (C) any claims or rights to any vested benefits or vested rights that Participant may have under any employee benefit, retirement and/or pension plans subject to Parts 2, 3 or 4 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"); (D) any rights and/or claims under Part 6 of Subtitle B of Title I of ERISA to elect continued group health plan coverage; (E) claims for reimbursement of approved business expenses incurred prior to the Date of Termination; (F) rights, if any, to defense and indemnification from the Employer or its insurers for actions taken by Participant in the course and scope of Participant's employment with the Employer; or (G) any right Participant may have at law to obtain contribution as permitted by law in the event of entry of judgment against Participant as a result of any act or failure to act for which Participant and the Employer or its past, present and future trustees, officers, agents, administrators, representatives, employees, affiliates, or insurers are held jointly liable; and (ii) notwithstanding the last sentence of Section 5, such form of general release shall be delivered by the Company to Participant as soon as reasonably practicable but in no event later than five (5) business days after the Date of Termination."

Name of Participant: Ernie Herrman

THE TJX COMPANIES, INC. EXECUTIVE SEVERANCE PLAN**PARTICIPATION AGREEMENT**

This participation agreement (this “Participation Agreement”) by and between the undersigned participant (“Participant”) and The TJX Companies, Inc. (“TJX”) is hereby made and entered into as of September 27, 2018 (the “Participation Date”) pursuant to The TJX Companies, Inc. Executive Severance Plan (the “Plan”). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participant and TJX hereby agree as follows:

1. Acceptance of Plan Terms; Acknowledgments. Participant hereby acknowledges and agrees that from and after the Participation Date, he shall be a participant under the Plan and shall be bound by all the terms and conditions thereof and this Participation Agreement, including without limitation as to the Covered Benefits provisions and restrictive covenants set forth therein, except as otherwise set forth below. Participant further acknowledges and agrees that he has had an opportunity to consult with independent legal counsel regarding the contents of this Participation Agreement and the Plan and that he is entering into this Participation Agreement knowingly, voluntarily, and with full knowledge of its significance.
2. Severance Benefits. The Termination Period under Section 6(a) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 6 of the Plan shall be fully applicable with respect to Participant.
3. Restrictive Covenants. The Noncompetition Period under Section 8(b) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 8 of the Plan shall be fully applicable with respect to Participant.
4. Employment Agreement Amendment. The employment agreement between Participant and TJX dated January 29, 2016 (the “Employment Agreement”), is hereby amended as of the Participation Date to:
 - (a) Delete Section 5(a) of the Employment Agreement; *provided*, that to the extent other provisions of the Employment Agreement refer to said Section 5(a), they shall be deemed instead to refer, *mutatis mutandis*, to the applicable provisions of Section 6 of the Plan; and
 - (b) Delete Section 8(b) of the Employment Agreement.

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Name of Participant: Ernie Herrman

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

THE TJX COMPANIES, INC.

By: /s/ Carol Meyrowitz

Name: Carol Meyrowitz

Title: Executive Chairman of the Board

Name of Participant: Ernie Herrman

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

PARTICIPANT:

/s/ Ernie Herrman
Name: Ernie Herrman

SCHEDULE

MODIFICATIONS TO SECTION 6 OF THE PLAN

Section 6(f) of the Plan is hereby modified by adding the following to the end thereof:

“In addition, (i) if the Participant’s employment by the Company is terminated by the Company other than for Cause, subject to Section 8 below, any stock options held by the Participant immediately prior to such termination will vest to the extent not previously vested and will thereafter remain exercisable only for such post-termination exercise period as is provided under the terms of the award and (ii) in the event of the Participant’s death or termination by reason of Disability during fiscal year 2019, the Participant will be entitled to receive the Supplemental Employer Credits under the Company’s Executive Savings Plan, as described in the employment agreement between Participant and TJX dated January 29, 2016, for fiscal year 2019 based on corporate MIP payout for such year.

Notwithstanding the first paragraph of this Section 6(f), any awards of performance-based restricted stock with LRPIP-based performance criteria (‘Outstanding PBRS Awards’), performance share units (including any similar award, as determined by the Administrator, ‘Outstanding PSUs’) and restricted stock units (including any similar award, as determined by the Administrator, ‘Outstanding RSUs’) in each case granted to Participant under the Stock Incentive Plan and held by Participant on the Date of Termination, shall be treated as follows:

- (A) *Outstanding PBRS Awards.* (A) In the case of any Outstanding PBRS Award for which the applicable LRPIP performance period is scheduled to end after the Date of Termination, a portion of the Outstanding PBRS Award, equal to the ratio of the number of fiscal years in such LRPIP performance period ending after the Date of Termination to the total number of fiscal years in such LRPIP performance period, shall be immediately forfeited; (B) all service conditions remaining with respect to all other or remaining portions of the Outstanding PBRS Awards (after giving effect to any forfeitures described in clause (A) above (the ‘Prorated Outstanding PBRS Awards’)) shall be deemed satisfied; and (C) subject to Section 8, each Prorated Outstanding PBRS Award shall vest, if at all, on the date on which the Committee certifies as to the LRPIP performance results for the applicable LRPIP performance period (the ‘Determination Date’) in accordance with the terms of the Prorated Outstanding PBRS Award; provided that, to the extent the Prorated Outstanding PBRS Award does not so vest, the Prorated Outstanding PBRS Award shall be forfeited as of the Determination Date.
- (B) *Outstanding PSUs.* Participant shall be eligible for proration with respect to the service condition applicable to the Outstanding PSUs (the ‘Service Condition’) as set forth in the award agreement for the Outstanding PSUs; *provided,* that any

right to receive or retain shares subject to the Outstanding PSUs for which the Service Condition has been deemed satisfied shall remain subject to applicable performance conditions, with any such shares delivered in accordance with and subject to the terms set forth in such award agreement.

- (C) *Outstanding RSUs.* Participant shall be eligible for prorated vesting with respect to the Outstanding RSUs as set forth in the award agreement for the Outstanding RSUs; *provided*, that any delivery or retention of vested shares subject to the Outstanding RSUs shall be undertaken in accordance with and subject to the terms set forth in such award agreement.”

MODIFICATIONS TO SECTION 8 OF THE PLAN

1. Section 8(e) of the Plan is hereby replaced in its entirety with the following:

“The Participant shall notify the Administrator immediately upon securing employment or becoming self-employed at any time within the Noncompetition Period or the Nonsolicitation Period, and shall provide to the Administrator such details concerning such employment or self-employment as it may reasonably request in order to ensure compliance with the terms hereof.”

Name of Participant: Scott Goldenberg

THE TJX COMPANIES, INC. EXECUTIVE SEVERANCE PLAN**PARTICIPATION AGREEMENT**

This participation agreement (this “Participation Agreement”) by and between the undersigned participant (“Participant”) and The TJX Companies, Inc. (“TJX”) is hereby made and entered into as of September 27, 2018 (the “Participation Date”) pursuant to The TJX Companies, Inc. Executive Severance Plan (the “Plan”). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participant and TJX hereby agree as follows:

1. Acceptance of Plan Terms; Acknowledgments. Participant hereby acknowledges and agrees that from and after the Participation Date, he shall be a participant under the Plan and shall be bound by all the terms and conditions thereof and this Participation Agreement, including without limitation as to the Covered Benefits provisions and restrictive covenants set forth therein, except as otherwise set forth below. Participant further acknowledges and agrees that he has had an opportunity to consult with independent legal counsel regarding the contents of this Participation Agreement and the Plan and that he is entering into this Participation Agreement knowingly, voluntarily, and with full knowledge of its significance.
2. Severance Benefits. The Termination Period under Section 6(a) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 6 of the Plan shall be fully applicable with respect to Participant.
3. Restrictive Covenants. The Noncompetition Period under Section 8(b) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 8 of the Plan shall be fully applicable with respect to Participant.
4. Employment Agreement Amendment. The employment agreement between Participant and TJX dated February 2, 2018 (the “Employment Agreement”), is hereby amended as of the Participation Date to:
 - (a) Delete Section 5(a) of the Employment Agreement; *provided*, that to the extent other provisions of the Employment Agreement refer to said Section 5(a), they shall be deemed instead to refer, *mutatis mutandis*, to the applicable provisions of Section 6 of the Plan; and
 - (b) Delete Section 8(b) of the Employment Agreement.

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Name of Participant: Scott Goldenberg

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

THE TJX COMPANIES, INC.

By: /s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Name of Participant: Scott Goldenberg

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

PARTICIPANT:

/s/ Scott Goldenberg
Name: Scott Goldenberg

SCHEDULE

MODIFICATIONS TO SECTION 6 OF THE PLAN

None

MODIFICATIONS TO SECTION 8 OF THE PLAN

None

Name of Participant: Richard Sherr

THE TJX COMPANIES, INC. EXECUTIVE SEVERANCE PLAN**PARTICIPATION AGREEMENT**

This participation agreement (this "Participation Agreement") by and between the undersigned participant ("Participant") and The TJX Companies, Inc. ("TJX") is hereby made and entered into as of September 27, 2018 (the "Participation Date") pursuant to The TJX Companies, Inc. Executive Severance Plan (the "Plan"). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participant and TJX hereby agree as follows:

1. Acceptance of Plan Terms; Acknowledgments. Participant hereby acknowledges and agrees that from and after the Participation Date, he shall be a participant under the Plan and shall be bound by all the terms and conditions thereof and this Participation Agreement, including without limitation as to the Covered Benefits provisions and restrictive covenants set forth therein, except as otherwise set forth below. Participant further acknowledges and agrees that he has had an opportunity to consult with independent legal counsel regarding the contents of this Participation Agreement and the Plan and that he is entering into this Participation Agreement knowingly, voluntarily, and with full knowledge of its significance.
2. Severance Benefits. The Termination Period under Section 6(a) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 6 of the Plan shall be fully applicable with respect to Participant.
3. Restrictive Covenants. The Noncompetition Period under Section 8(b) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 8 of the Plan shall be fully applicable with respect to Participant.
4. Employment Agreement Amendment. The employment agreement between Participant and TJX dated February 2, 2018 (the "Employment Agreement"), is hereby amended as of the Participation Date to:
 - (a) Delete Section 5(a) of the Employment Agreement; *provided*, that to the extent other provisions of the Employment Agreement refer to said Section 5(a), they shall be deemed instead to refer, *mutatis mutandis*, to the applicable provisions of Section 6 of the Plan; and
 - (b) Delete Section 8(b) of the Employment Agreement.

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Name of Participant: Richard Sherr

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

THE TJX COMPANIES, INC.

By: /s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Name of Participant: Richard Sherr

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

PARTICIPANT:

/s/ Richard Sherr
Name: Richard Sherr

SCHEDULE

MODIFICATIONS TO SECTION 6 OF THE PLAN

None

MODIFICATIONS TO SECTION 8 OF THE PLAN

None

Name of Participant: Kenneth Canestrari

THE TJX COMPANIES, INC. EXECUTIVE SEVERANCE PLAN**PARTICIPATION AGREEMENT**

This participation agreement (this “Participation Agreement”) by and between the undersigned participant (“Participant”) and The TJX Companies, Inc. (“TJX”) is hereby made and entered into as of September 27, 2018 (the “Participation Date”) pursuant to The TJX Companies, Inc. Executive Severance Plan (the “Plan”). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participant and TJX hereby agree as follows:

1. Acceptance of Plan Terms; Acknowledgments. Participant hereby acknowledges and agrees that from and after the Participation Date, he shall be a participant under the Plan and shall be bound by all the terms and conditions thereof and this Participation Agreement, including without limitation as to the Covered Benefits provisions and restrictive covenants set forth therein, except as otherwise set forth below. Participant further acknowledges and agrees that he has had an opportunity to consult with independent legal counsel regarding the contents of this Participation Agreement and the Plan and that he is entering into this Participation Agreement knowingly, voluntarily, and with full knowledge of its significance.
2. Severance Benefits. The Termination Period under Section 6(a) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 6 of the Plan shall be fully applicable with respect to Participant.
3. Restrictive Covenants. The Noncompetition Period under Section 8(b) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 8 of the Plan shall be fully applicable with respect to Participant.
4. Employment Agreement Amendment. The employment agreement between Participant and TJX dated February 2, 2018 (the “Employment Agreement”), is hereby amended as of the Participation Date to:
 - (a) Delete Section 5(a) of the Employment Agreement; *provided*, that to the extent other provisions of the Employment Agreement refer to said Section 5(a), they shall be deemed instead to refer, *mutatis mutandis*, to the applicable provisions of Section 6 of the Plan; and
 - (b) Delete Section 8(b) of the Employment Agreement.

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Name of Participant: Kenneth Canestrari

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

THE TJX COMPANIES, INC.

By: /s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Name of Participant: Kenneth Canestrari

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

PARTICIPANT:

/s/ Ken Canestrari
Name: Kenneth Canestrari

SCHEDULE

MODIFICATIONS TO SECTION 6 OF THE PLAN

None

MODIFICATIONS TO SECTION 8 OF THE PLAN

Section 8(c) of the Plan is hereby modified by adding the following immediately before the third-to-last sentence thereof:

“Subject to the immediately following sentence of this Section 8(c), the Participant further covenants and agrees (for himself and for all others acting on his behalf) that at no time during the Employment Period or thereafter will he directly or indirectly say or do anything that would disparage, reflect negatively on, or call into question the Company's business operations, stores, products, reputation, business relationships, or present or future business, or the reputation of any past or present directors, officers, employees, agents or affiliates of the Company and its Subsidiaries.”

Name of Participant: Douglas Mizzi

THE TJX COMPANIES, INC. EXECUTIVE SEVERANCE PLAN

PARTICIPATION AGREEMENT

This participation agreement (this "Participation Agreement") by and between the undersigned participant ("Participant") and The TJX Companies, Inc. ("TJX") is hereby made and entered into as of September 27, 2018 (the "Participation Date") pursuant to The TJX Companies, Inc. Executive Severance Plan (the "Plan"). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Participant and TJX hereby agree as follows:

1. Acceptance of Plan Terms; Acknowledgments. Participant hereby acknowledges and agrees that from and after the Participation Date, he shall be a participant under the Plan and shall be bound by all the terms and conditions thereof and this Participation Agreement, including without limitation as to the Covered Benefits provisions and restrictive covenants set forth therein, except as otherwise set forth below. Participant further acknowledges and agrees that he has had an opportunity to consult with independent legal counsel regarding the contents of this Participation Agreement and the Plan and that he is entering into this Participation Agreement knowingly, voluntarily, and with full knowledge of its significance.

2. Severance Benefits. The Termination Period under Section 6(a) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 6 of the Plan shall be fully applicable with respect to Participant.

3. Restrictive Covenants. The Noncompetition Period under Section 8(b) of the Plan shall hereby extend for twenty-four (24) months after the Date of Termination and, except as modified on the attached Schedule, Section 8 of the Plan shall be fully applicable with respect to Participant.

4. Employment Agreement Amendment. The employment agreement between Participant and TJX dated January 16, 2018 (the "Employment Agreement"), is hereby amended as of the Participation Date to:

- (a) Delete Section 5(a) of the Employment Agreement; *provided*, that to the extent other provisions of the Employment Agreement refer to said Section 5(a), they shall be deemed instead to refer, *mutatis mutandis*, to the applicable provisions of Section 6 of the Plan; and
- (b) Delete Section 8(b) of the Employment Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

THE TJX COMPANIES, INC.

By: /s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

IN WITNESS WHEREOF, the parties hereto have caused this Participation Agreement to be duly executed as an agreement under seal as of the date first written above.

PARTICIPANT:

/s/ Douglas Mizzi
Name: Douglas Mizzi

SCHEDULE

MODIFICATIONS TO SECTION 6 OF THE PLAN

Section 6(f) of the Plan is hereby modified by adding the following after the word “Company” in the fourth line thereof:

“, including but not limited to any such TJX Canada-based plans,”

MODIFICATIONS TO SECTION 8 OF THE PLAN

Section 8(c) of the Plan is hereby modified by adding the following immediately before the third-to-last sentence thereof:

“Subject to the immediately following sentence of this Section 8(c), the Participant further covenants and agrees (for himself and for all others acting on his behalf) that at no time during the Employment Period or thereafter will he directly or indirectly say or do anything that would disparage, reflect negatively on, or call into question the Company's business operations, stores, products, reputation, business relationships, or present or future business, or the reputation of any past or present directors, officers, employees, agents or affiliates of the Company and its Subsidiaries.”

Section 302 Certification

CERTIFICATION

I, Ernie Herrman, certify that:

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

Date: December 4, 2018

/s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Section 302 Certification

CERTIFICATION

I, Scott Goldenberg, certify that:

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

Date: December 4, 2018

/s/ Scott Goldenberg

Name: Scott Goldenberg

Title: Chief Financial Officer

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

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

- 1 the Company's Form 10-Q for the fiscal quarter ended November 3, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- 2 the information contained in the Company's Form 10-Q for the fiscal quarter ended November 3, 2018 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Dated: December 4, 2018

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

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

- 1 the Company's Form 10-Q for the fiscal quarter ended November 3, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- 2 the information contained in the Company's Form 10-Q for the fiscal quarter ended November 3, 2018 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott Goldenberg

Name: Scott Goldenberg
Title: Chief Financial Officer

Dated: December 4, 2018