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 October 29, 2022

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	**04-2207613**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
770 Cochituate Road Framingham, Massachusetts	**01701**
(Address of principal executive offices)	**(Zip Code)**

(508) 390-1000

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $1.00 per share	TJX	New York Stock Exchange

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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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 18, 2022: 1,155,504,149

The TJX Companies, Inc.
TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021	October 29, 2022	October 30, 2021
Net sales	**$ 12,166,286**	**$ 12,531,890**	**$ 35,415,768**	**$ 34,695,614**
Cost of sales, including buying and occupancy costs	**8,622,556**	8,835,532	**25,417,319**	24,619,297
Selling, general and administrative expenses	**2,184,946**	2,296,649	**6,454,389**	6,585,333
Impairment on equity investment	**—**	—	**217,619**	—
Loss on early extinguishment of debt	**—**	—	**—**	242,248
Interest (income) expense, net	**(427)**	20,674	**29,365**	94,023
Income before income taxes	**1,359,211**	1,379,035	**3,297,076**	3,154,713
Provision for income taxes	**296,405**	356,035	**837,457**	812,102
Net income	**$ 1,062,806**	**$ 1,023,000**	**$ 2,459,619**	**$ 2,342,611**
Basic earnings per share	**$ 0.92**	$ 0.85	**$ 2.10**	$ 1.95
Weighted average common shares – basic	**1,160,763**	1,200,661	**1,168,608**	1,203,718
Diluted earnings per share	**$ 0.91**	$ 0.84	**$ 2.08**	$ 1.92
Weighted average common shares – diluted	**1,172,267**	1,215,690	**1,179,892**	1,219,238

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	
	October 29, 2022	October 30, 2021
Net income	**$ 1,062,806**	**$ 1,023,000**
Additions to other comprehensive (loss):		
Foreign currency translation adjustments, net of related tax benefit of $8,638 in fiscal 2023 and tax provision of $976 in fiscal 2022	**(65,858)**	(6,688)
Reclassifications from other comprehensive (loss) to net income:		
Amortization of prior service cost and deferred gains/losses, net of related tax provisions of $1,602 in fiscal 2023 and $1,156 in fiscal 2022	**4,400**	3,173
Other comprehensive (loss), net of tax	**(61,458)**	(3,515)
Total comprehensive income	**$ 1,001,348**	**$ 1,019,485**

	Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021
Net income	**$ 2,459,619**	**$ 2,342,611**
Additions to other comprehensive (loss) income:		
Foreign currency translation adjustments, net of related tax benefit of $8,803 in fiscal 2023 and tax provision of $2,734 in fiscal 2022	**(154,405)**	14,685
Reclassifications from other comprehensive (loss) to net income:		
Amortization of prior service cost and deferred gains/losses, net of related tax provisions of $4,353 in fiscal 2023 and $3,802 in fiscal 2022	**11,956**	10,442
Amortization of loss on cash flow hedge, net of related tax provision of $603 in fiscal 2022	**—**	(263)
Other comprehensive (loss) income, net of tax	**(142,449)**	24,864
Total comprehensive income	**$ 2,317,170**	**$ 2,367,475**

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

	October 29, 2022	January 29, 2022	October 30, 2021
Assets			
Current assets:			
Cash and cash equivalents	**$ 3,364,678**	$ 6,226,765	$ 6,791,596
Accounts receivable, net	**570,865**	517,623	615,119
Merchandise inventories	**8,328,680**	5,961,573	6,633,328
Prepaid expenses and other current assets	**582,389**	438,099	449,377
Federal, state and foreign income taxes recoverable	**142,181**	114,537	86,690
Total current assets	**12,988,793**	13,258,597	14,576,110
Net property at cost	**5,572,720**	5,270,827	5,165,250
Non-current deferred income taxes, net	**173,564**	184,971	193,583
Operating lease right of use assets	**8,985,593**	8,853,934	9,143,834
Goodwill	**94,501**	96,662	98,604
Other assets	**613,279**	796,467	893,605
Total assets	**$ 28,428,450**	**$ 28,461,458**	**$ 30,070,986**
Liabilities			
Current liabilities:			
Accounts payable	**$ 4,993,269**	$ 4,465,427	$ 5,443,007
Accrued expenses and other current liabilities	**4,083,434**	4,244,997	4,140,660
Current portion of operating lease liabilities	**1,574,384**	1,576,561	1,606,480
Current portion of long-term debt	**499,764**	—	—
Federal, state and foreign income taxes payable	**82,778**	181,155	138,586
Total current liabilities	**11,233,629**	10,468,140	11,328,733
Other long-term liabilities	**906,736**	1,015,720	1,013,537
Non-current deferred income taxes, net	**74,178**	44,175	69,053
Long-term operating lease liabilities	**7,691,225**	7,575,590	7,861,023
Long-term debt	**2,857,999**	3,354,841	3,353,866
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 $1, issued and outstanding 1,156,263,970; 1,181,188,731 and 1,194,260,626 respectively	**1,156,264**	1,181,189	1,194,261
Additional paid-in capital	**—**	—	—
Accumulated other comprehensive loss	**(829,599)**	(687,150)	(581,207)
Retained earnings	**5,338,018**	5,508,953	5,831,720
Total shareholders' equity	**5,664,683**	6,002,992	6,444,774
Total liabilities and shareholders' equity	**$ 28,428,450**	**$ 28,461,458**	**$ 30,070,986**

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	
	October 29, 2022	October 30, 2021
Cash flows from operating activities:		
Net income	**$ 2,459,619**	$ 2,342,611
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	**656,081**	647,610
Loss on early extinguishment of debt	**—**	242,248
Impairment on equity investment	**217,619**	—
Loss on property disposals and impairment charges	**6,664**	526
Deferred income tax provision (benefit)	**34,655**	(44,285)
Share-based compensation	**94,564**	156,575
Changes in assets and liabilities:		
(Increase) in accounts receivable	**(68,729)**	(155,554)
(Increase) in merchandise inventories	**(2,544,990)**	(2,287,326)
(Increase) in income taxes recoverable	**(27,644)**	(50,428)
(Increase) decrease in prepaid expenses and other current assets	**(72,128)**	20,779
Increase in accounts payable	**647,264**	611,934
(Decrease) increase in accrued expenses and other liabilities	**(237,272)**	557,065
(Decrease) increase in income taxes payable	**(103,229)**	56,426
Increase (decrease) in net operating lease liabilities	**2,327**	(105,494)
Other, net	**(5,549)**	(45,754)
Net cash provided by operating activities	**1,059,252**	**1,946,933**
Cash flows from investing activities:		
Property additions	**(1,099,748)**	(715,542)
Purchases of investments	**(26,183)**	(16,979)
Sales and maturities of investments	**15,691**	16,896
Net cash (used in) investing activities	**(1,110,240)**	**(715,625)**
Cash flows from financing activities:		
Payments on debt	**—**	(2,975,518)
Payments for repurchase of common stock	**(1,799,802)**	(1,093,399)
Cash dividends paid	**(997,743)**	(941,531)
Proceeds from issuance of common stock	**114,501**	146,393
Payments of employee tax withholdings for stock awards	**(32,451)**	(24,478)
Net cash (used in) financing activities	**(2,715,495)**	**(4,888,533)**
Effect of exchange rate changes on cash	**(95,604)**	(20,749)
Net (decrease) in cash and cash equivalents	**(2,862,087)**	(3,677,974)
Cash and cash equivalents at beginning of year	**6,226,765**	10,469,570
Cash and cash equivalents at end of period	**$ 3,364,678**	**$ 6,791,596**

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

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

	Thirteen Weeks Ended					
	Common Stock					
	Shares	Par Value $1	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance, July 30, 2022	**1,161,887**	**$ 1,161,887**	**$ —**	**$ (768,141)**	**$ 5,002,903**	**$ 5,396,649**
Net income	**—**	**—**	**—**	**—**	**1,062,806**	**1,062,806**
Other comprehensive (loss), net of tax	**—**	**—**	**—**	**(61,458)**	**—**	**(61,458)**
Cash dividends declared on common stock	**—**	**—**	**—**	**—**	**(341,614)**	**(341,614)**
Recognition of share-based compensation	**—**	**—**	**36,378**	**—**	**—**	**36,378**
Issuance of common stock under stock incentive plan, and related tax effect	**2,020**	**2,020**	**62,502**	**—**	**—**	**64,522**
Common stock repurchased and retired	**(7,643)**	**(7,643)**	**(98,880)**	**—**	**(386,077)**	**(492,600)**
Balance, October 29, 2022	**1,156,264**	**$ 1,156,264**	**$ —**	**$ (829,599)**	**$ 5,338,018**	**$ 5,664,683**

	Thirteen Weeks Ended					
	Common Stock					
	Shares	Par Value $1	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance, July 31, 2021	**1,202,981**	**$ 1,202,981**	**$ 117,603**	**$ (577,692)**	**$ 5,663,492**	**$ 6,406,384**
Net income	—	—	—	—	1,023,000	1,023,000
Other comprehensive (loss), net of tax	—	—	—	(3,515)	—	(3,515)
Cash dividends declared on common stock	—	—	—	—	(311,129)	(311,129)
Recognition of share-based compensation	—	—	42,454	—	—	42,454
Issuance of common stock under stock incentive plan, and related tax effect	2,970	2,970	80,910	—	—	83,880
Common stock repurchased and retired	(11,690)	(11,690)	(240,967)	—	(543,643)	(796,300)
Balance, October 30, 2021	**1,194,261**	**$ 1,194,261**	**$ —**	**$ (581,207)**	**$ 5,831,720**	**$ 6,444,774**

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

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

	Thirty-Nine Weeks Ended					
	Common Stock					
	Shares	Par Value $1	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance, January 29, 2022	**1,181,189**	**$ 1,181,189**	**$ —**	**$ (687,150)**	**$ 5,508,953**	**$ 6,002,992**
Net income	**—**	**—**	**—**	**—**	**2,459,619**	**2,459,619**
Other comprehensive (loss), net of tax	**—**	**—**	**—**	**(142,449)**	—	**(142,449)**
Cash dividends declared on common stock	**—**	**—**	**—**	**—**	**(1,031,816)**	**(1,031,816)**
Recognition of share-based compensation	**—**	**—**	**94,564**	**—**	**—**	**94,564**
Issuance of common stock under stock incentive plan, net of shares used to pay tax withholdings	**4,187**	**4,187**	**77,987**	**—**	**(599)**	**81,575**
Common stock repurchased and retired	**(29,112)**	**(29,112)**	**(172,551)**	**—**	**(1,598,139)**	**(1,799,802)**
Balance, October 29, 2022	**1,156,264**	**$ 1,156,264**	**$ —**	**$ (829,599)**	**$ 5,338,018**	**$ 5,664,683**

	Thirty-Nine Weeks Ended					
	Common Stock					
	Shares	Par Value $1	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
Balance, January 30, 2021	**1,204,698**	**$ 1,204,698**	**$ 260,515**	**$ (606,071)**	**$ 4,973,542**	**$ 5,832,684**
Net income	—	—	—	—	2,342,611	2,342,611
Other comprehensive income, net of tax	—	—	—	24,864	—	24,864
Cash dividends declared on common stock	—	—	—	—	(940,443)	(940,443)
Recognition of share-based compensation	—	—	156,575	—	—	156,575
Issuance of common stock under stock incentive plan, net of shares used to pay tax withholdings	5,764	5,764	116,465	—	(347)	121,882
Common stock repurchased and retired	(16,201)	(16,201)	(533,555)	—	(543,643)	(1,093,399)
Balance, October 30, 2021	**1,194,261**	**$ 1,194,261**	**$ —**	**$ (581,207)**	**$ 5,831,720**	**$ 6,444,774**

The accompanying notes are an integral part of the unaudited 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 Consolidated Financial Statements for the periods reported, all in conformity with GAAP consistently applied. Investments for which the Company exercises significant influence but does not have control are accounted for under the equity method. 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 January 29, 2022 ("fiscal 2022").

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 January 29, 2022 balance sheet data was derived from audited Consolidated 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 January 28, 2023 ("fiscal 2023") and is a 52-week fiscal year. Fiscal 2022 was also a 52-week fiscal year. Fiscal 2024 will be a 53-week fiscal year and will end February 3, 2024.

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, 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 these estimates, and such differences could be material.

Equity Investment

In fiscal 2020, the Company acquired a minority ownership stake in privately held Familia, an off-price retailer of apparel and home fashions domiciled in Luxembourg that operates stores throughout Russia. During the quarter ended April 30, 2022, the Company announced that it had committed to divesting its minority investment and as a result, the Company performed an impairment analysis of this investment. Based on this analysis the Company concluded that there was an other-than-temporary impairment of this investment and recorded an impairment charge of $218 million representing the entirety of the Company's investment. The Company completed the divestiture of this investment during the quarter ended October 29, 2022, resulting in a $54 million tax benefit. See Note F—Fair Value Measurements for additional information.

Deferred Gift Card Revenue

The following table presents deferred gift card revenue activity:

In thousands	**October 29, 2022**	October 30, 2021
Balance, beginning of year	**$ 685,202**	$ 576,187
Deferred revenue	**1,258,784**	1,169,729
Effect of exchange rates changes on deferred revenue	**(9,466)**	1,799
Revenue recognized	**(1,317,335)**	(1,201,704)
Balance, end of period	**$ 617,185**	$ 546,011

TJX recognized $412 million in gift card revenue for the three months ended October 29, 2022 and $400 million in gift card revenue for the three months ended October 30, 2021. 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.

Leases

Supplemental cash flow information related to leases is as follows:

	Thirty-Nine Weeks Ended	
In thousands	**October 29, 2022**	October 30, 2021
Operating cash flows paid for operating leases	**$ 1,453,151**	$ 1,571,815
Lease liabilities arising from obtaining right of use assets	**$ 1,696,883**	$ 1,427,486

Future Adoption of New Accounting Standards

From time to time, the Financial Accounting Standards Board ("FASB") or other standard setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification are communicated through issuance of an Accounting Standards Update ("ASU"). The Company has reviewed the new guidance and has determined that it will either not apply to TJX or is not expected to be material to its Consolidated Financial Statements upon adoption and therefore, the guidance is not disclosed.

Note B. Property at Cost

The following table presents the components of property at cost:

In thousands	**October 29, 2022**	January 29, 2022	October 30, 2021
Land and buildings	**$ 1,983,902**	$ 1,911,569	$ 1,813,270
Leasehold costs and improvements	**3,743,919**	3,652,280	3,655,735
Furniture, fixtures and equipment	**7,189,806**	6,871,777	6,761,778
Total property at cost	**$ 12,917,627**	$ 12,435,626	$ 12,230,783
Less: accumulated depreciation and amortization	**7,344,907**	7,164,799	7,065,533
Net property at cost	**$ 5,572,720**	$ 5,270,827	$ 5,165,250

Depreciation expense was $217 million for the three months ended October 29, 2022 and $215 million for the three months ended October 30, 2021. Depreciation expense was $651 million for the nine months ended October 29, 2022 and $640 million for the nine months ended October 30, 2021.

Non-cash investing activities in the cash flows consist of accrued capital additions of $190 million and $148 million as of the periods ended October 29, 2022 and October 30, 2021, respectively.

Note C. Accumulated Other Comprehensive (Loss) Income

Amounts included in Accumulated other comprehensive loss are recorded net of taxes. The following table details the changes in Accumulated other comprehensive loss for the twelve months ended January 29, 2022 and the nine months ended October 29, 2022:

In thousands	Foreign Currency Translation	Deferred Benefit Costs	Cash Flow Hedge on Debt	Accumulated Other Comprehensive (Loss) Income
Balance, January 30, 2021	**$ (441,532)**	**$ (164,802)**	**$ 263**	**$ (606,071)**
Additions to other comprehensive loss:				
Foreign currency translation adjustments (net of taxes of $207)	(46,715)	—	—	(46,715)
Recognition of net gains/losses on benefit obligations (net of taxes of $17,659)	—	(48,504)	—	(48,504)
Reclassifications from other comprehensive loss to net income:				
Amortization of loss on cash flow hedge (net of taxes of $603)	—	—	(263)	(263)
Amortization of prior service cost and deferred gains/losses (net of taxes of $4,588)	—	14,403	—	14,403
Balance, January 29, 2022	**$ (488,247)**	**$ (198,903)**	**$ —**	**$ (687,150)**
Additions to other comprehensive loss:				
Foreign currency translation adjustments (net of taxes of $8,803)	**(154,405)**	**—**	**—**	**(154,405)**
Reclassifications from other comprehensive loss to net income:				
Amortization of prior service cost and deferred gains/losses (net of taxes of $4,353)	**—**	**11,956**	**—**	**11,956**
Balance, October 29, 2022	**$ (642,652)**	**$ (186,947)**	**$ —**	**$ (829,599)**

Note D. Capital Stock and Earnings Per Share

Capital Stock

TJX repurchased and retired 7.7 million shares of its common stock at a cost of approximately $0.5 billion during the quarter ended October 29, 2022, on a "trade date" basis. During the nine months ended October 29, 2022, TJX repurchased and retired 29.1 million shares of its common stock at a cost of approximately $1.8 billion, on a "trade date" basis. TJX reflects stock repurchases in its consolidated financial statements on a "settlement date" or cash basis. TJX had cash expenditures under repurchase programs of $1.8 billion for the nine months ended October 29, 2022 and $1.1 billion for the nine months ended October 30, 2021. These expenditures were funded by cash generated from current and prior period operations.

In February 2022, 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 this program TJX had approximately $2.0 billion available for repurchase as of October 29, 2022.

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:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
Amounts in thousands, except per share amounts	**October 29, 2022**	October 30, 2021	**October 29, 2022**	October 30, 2021
Basic earnings per share:				
Net income	**$ 1,062,806**	$ 1,023,000	**$ 2,459,619**	$ 2,342,611
Weighted average common shares outstanding for basic earnings per share calculation	**1,160,763**	1,200,661	**1,168,608**	1,203,718
Basic earnings per share	**$ 0.92**	$ 0.85	**$ 2.10**	$ 1.95
Diluted earnings per share:				
Net income	**$ 1,062,806**	$ 1,023,000	**$ 2,459,619**	$ 2,342,611
Weighted average common shares outstanding for basic earnings per share calculation	**1,160,763**	1,200,661	**1,168,608**	1,203,718
Assumed exercise / vesting of stock options and awards	**11,504**	15,029	**11,284**	15,520
Weighted average common shares outstanding for diluted earnings per share calculation	**1,172,267**	1,215,690	**1,179,892**	1,219,238
Diluted earnings per share	**$ 0.91**	$ 0.84	**$ 2.08**	$ 1.92
Cash dividends declared per share	**$ 0.295**	$ 0.26	**$ 0.885**	$ 0.78

The weighted average common shares for the diluted earnings per share calculation excludes 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 period. Such options are excluded because they would have an antidilutive effect. There were 11.2 million such options excluded for the thirteen weeks and thirty-nine weeks ended October 29, 2022. There were 5.3 million such options excluded for the thirteen weeks and thirty-nine weeks ended October 30, 2021.

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 Consolidated Balance Sheet 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 Accumulated other comprehensive loss 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 fuel 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 2022, TJX entered into agreements to hedge a portion of its estimated notional diesel fuel requirements for fiscal 2023, and during the first nine months of fiscal 2023, TJX entered into agreements to hedge a portion of its estimated notional diesel fuel requirements for the first nine months of fiscal 2024. The hedge agreements outstanding at October 29, 2022 relate to approximately 50% of TJX’s estimated notional diesel fuel requirements for the remainder of fiscal 2023 and the first nine months of fiscal 2024. These diesel fuel hedge agreements will settle throughout fiscal 2023 and throughout the first ten months of fiscal 2024. 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 currencies other than their respective functional currencies. The contracts outstanding at October 29, 2022 cover merchandise purchases the Company is committed to over the next several months. Additionally, TJX’s operations in Europe are subject to foreign currency exposure as a result of their buying function being centralized in the U.K. 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. A portion of the inflows of Euros to the central buying entity provides a natural hedge for merchandise purchased from third-party vendors that is denominated in Euros. TJX calculates any excess Euro exposure each month and enters into forward contracts of approximately 30 days' duration to mitigate this exposure.

TJX also enters into derivative contracts, generally designated as fair value hedges, to hedge intercompany debt. 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.

The following is a summary of TJX’s derivative financial instruments, related fair value and balance sheet classification at October 29, 2022:

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 29, 2022
Fair value hedges:									
Intercompany balances, primarily debt related:									
€	60,000	£	51,156		0.8526	(Accrued Exp)	$ —	$ (794)	$ (794)
A$	170,000	U.S.$	119,579		0.7034	Prepaid Exp	10,612	—	10,612
U.S.$	74,646	£	55,000		0.7368	(Accrued Exp)	—	(11,295)	(11,295)
£	200,000	U.S.$	246,811		1.2341	Prepaid Exp / (Accrued Exp)	20,765	(4,074)	16,691
€	200,000	U.S.$	217,236		1.0862	Prepaid Exp / (Accrued Exp)	17,655	(547)	17,108
Economic hedges for which hedge accounting was not elected:									
Diesel fuel contracts	Fixed on 3.1M – 3.9M gal per month		Float on 3.1M – 3.9M gal per month		N/A	Prepaid Exp	18,365	—	18,365
Intercompany billings in TJX International, primarily merchandise related:									
€	222,000	£	194,677		0.8769	Prepaid Exp	4,170	—	4,170
Merchandise purchase commitments:									
C$	710,029	U.S.$	542,000		0.7633	Prepaid Exp / (Accrued Exp)	22,308	(459)	21,849
C$	16,101	€	12,000		0.7453	Prepaid Exp / (Accrued Exp)	151	(39)	112
£	388,909	U.S.$	474,500		1.2201	Prepaid Exp / (Accrued Exp)	29,735	(2,977)	26,758
A$	79,273	U.S.$	54,250		0.6843	Prepaid Exp	3,600	—	3,600
zł	614,000	£	108,039		0.1760	(Accrued Exp)	—	(2,806)	(2,806)
U.S.$	87,699	€	84,500		0.9635	Prepaid Exp / (Accrued Exp)	263	(3,953)	(3,690)
Total fair value of derivative financial instruments							$ 127,624	$ (26,944)	$ 100,680

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at January 29, 2022:

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 January 29, 2022
Fair value hedges:								
Intercompany balances, primarily debt related:								
zł	25,000	£	4,541	0.1816	Prepaid Exp	$ 72	$ —	$ 72
€	60,000	£	50,568	0.8428	Prepaid Exp	111	—	111
A$	170,000	U.S.$	122,061	0.7180	Prepaid Exp	2,047	—	2,047
U.S.$	74,646	£	55,000	0.7368	(Accrued Exp)	—	(918)	(918)
€	200,000	U.S.$	230,319	1.1516	Prepaid Exp	4,535	—	4,535
Economic hedges for which hedge accounting was not elected:								
Diesel fuel contracts	Fixed on 3.6M – 4.0M gal per month		Float on 3.6M– 4.0M gal per month	N/A	Prepaid Exp	23,649	—	23,649
Intercompany billings in TJX International, primarily merchandise related:								
€	91,000	£	75,894	0.8340	(Accrued Exp)	—	(145)	(145)
Merchandise purchase commitments:								
C$	987,756	U.S.$	783,000	0.7927	Prepaid Exp / (Accrued Exp)	6,641	(80)	6,561
C$	38,138	€	26,500	0.6948	(Accrued Exp)	—	(248)	(248)
£	325,482	U.S.$	442,100	1.3583	Prepaid Exp / (Accrued Exp)	6,023	(632)	5,391
zł	453,000	£	82,112	0.1813	Prepaid Exp / (Accrued Exp)	744	(449)	295
A$	65,551	U.S.$	47,500	0.7246	Prepaid Exp	1,270	—	1,270
U.S.$	66,989	€	59,000	0.8807	(Accrued Exp)	—	(820)	(820)
Total fair value of derivative financial instruments						**$ 45,092**	**$ (3,292)**	**$ 41,800**

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at October 30, 2021:

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 30, 2021
Fair value hedges:									
Intercompany balances, primarily debt related:									
zł	45,000	£	8,846		0.1966	Prepaid Exp	$ 780	$ —	$ 780
€	60,000	£	50,815		0.8469	(Accrued Exp)	—	(340)	(340)
A$	170,000	U.S.$	127,603		0.7506	Prepaid Exp / (Accrued Exp)	1,866	(2,075)	(209)
U.S.$	75,102	£	55,000		0.7323	Prepaid Exp	54	—	54
€	200,000	U.S.$	239,776		1.1989	Prepaid Exp	6,957	—	6,957
Economic hedges for which hedge accounting was not elected:									
Diesel fuel contracts	Fixed on 3.7M – 4.0M gal per month		Float on 3.7M – 4.0M gal per month		N/A	Prepaid Exp	22,095	—	22,095
Intercompany billings in TJX International, primarily merchandise related:									
€	46,000	£	39,057		0.8491	(Accrued Exp)	—	(28)	(28)
Merchandise purchase commitments:									
C$	608,976	U.S.$	488,000		0.8013	Prepaid Exp / (Accrued Exp)	1,566	(5,909)	(4,343)
C$	27,997	€	19,000		0.6786	(Accrued Exp)	—	(574)	(574)
£	344,793	U.S.$	477,600		1.3852	Prepaid Exp / (Accrued Exp)	7,321	(732)	6,589
A$	57,829	U.S.$	42,500		0.7349	(Accrued Exp)	—	(986)	(986)
zł	442,000	£	82,252		0.1861	Prepaid Exp / (Accrued Exp)	1,349	(85)	1,264
U.S.$	75,930	€	64,000		0.8429	(Accrued Exp)	—	(1,630)	(1,630)
Total fair value of derivative financial instruments							**$ 41,988**	**$ (12,359)**	**$ 29,629**

The impact of derivative financial instruments on the Consolidated Statements of Income is presented below:

		Amount of Gain (Loss) Recognized in Income by Derivative			
		Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
In thousands	Location of Gain (Loss) Recognized in Income by Derivative	**October 29, 2022**	October 30, 2021	**October 29, 2022**	October 30, 2021
Fair value hedges:					
Intercompany balances, primarily debt related	Selling, general and administrative expenses	**$ 23,328**	$ 7,750	**$ 56,684**	$ 20,303
Economic hedges for which hedge accounting was not elected:					
Diesel fuel contracts	Cost of sales, including buying and occupancy costs	**(491)**	9,908	**53,038**	30,754
Intercompany billings in TJX International, primarily merchandise related	Cost of sales, including buying and occupancy costs	**(6,004)**	887	**(6,122)**	4,432
Merchandise purchase commitments	Cost of sales, including buying and occupancy costs	**65,215**	3,760	**113,609**	(499)
Gain recognized in income		**$ 82,048**	$ 22,305	**$ 217,209**	$ 54,990

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	**October 29, 2022**	January 29, 2022	October 30, 2021
Level 1			
Assets:			
Executive Savings Plan investments	**$ 342,621**	$ 387,666	$ 405,290
Level 2			
Assets:			
Foreign currency exchange contracts	**$ 109,259**	$ 21,443	$ 19,893
Diesel fuel contracts	**18,365**	23,649	22,095
Liabilities:			
Foreign currency exchange contracts	**$ 26,944**	$ 3,292	$ 12,359

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.

Foreign currency exchange contracts and diesel fuel contracts are valued using broker quotations, which include observable market information. 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 October 29, 2022 was $2.5 billion compared to a carrying value of $2.9 billion primarily due to the recent increase in interest rates. The fair value of the current portion of long-term debt as of October 29, 2022 was $0.5 billion compared to a carrying value of $0.5 billion. The fair value of long-term debt as of January 29, 2022 was $3.5 billion compared to a carrying value of $3.4 billion. The fair value of long-term debt as of October 30, 2021 was $3.6 billion compared to a carrying value of $3.4 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. For additional information on long-term debt, see Note I—Long-Term Debt and Credit Lines.

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

Certain assets and liabilities are measured at fair value on a nonrecurring basis, whereas the majority of assets and liabilities are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances, such as when there is evidence of an impairment. For the periods ended October 29, 2022, January 29, 2022 and October 30, 2021, the Company did not record any material impairments to long-lived assets.

During the first quarter of fiscal 2023, the Company announced its intention to divest from its position in its minority investment in Familia and re-characterized this investment as held-for-sale valued as a Level 3 position. Given the lack of an active market or observable inputs, the Company derived an exit price which indicated that this investment had no market value. The Company recorded a $218 million charge in the first quarter of fiscal 2023, which represents the entirety of its investment. See Note A—Basis of Presentation and Summary of Significant Accounting Policies for additional information.

Note G. Segment Information

TJX operates four main business segments. The Marmaxx segment (T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com) and the HomeGoods segment (HomeGoods, Homesense, and homegoods.com) 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. In addition to the Company's four main business segments, Sierra operates retail stores and sierra.com in the U.S. The results of Sierra are included in the Marmaxx segment.

All of TJX's stores, with the exception of HomeGoods and HomeSense/Homesense, sell family apparel and home fashions. HomeGoods and HomeSense/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, interest expense, net and certain separately disclosed unusual or infrequent items. "Segment profit or loss," as defined by TJX, may not be comparable to similarly titled measures used by other entities. This measure of performance should not be considered an alternative to net income or cash flows from operating activities as an indicator of TJX's performance or as a measure of liquidity.

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
In thousands	**October 29, 2022**	October 30, 2021	**October 29, 2022**	October 30, 2021
Net sales:				
In the United States:				
Marmaxx	**$ 7,454,907**	$ 7,213,681	**$ 21,562,396**	$ 21,203,098
HomeGoods	**1,947,490**	2,253,567	**5,839,588**	6,478,584
TJX Canada	**1,285,049**	1,301,272	**3,615,283**	3,088,357
TJX International	**1,478,840**	1,763,370	**4,398,501**	3,925,575
Total net sales	**$ 12,166,286**	$ 12,531,890	**$ 35,415,768**	$ 34,695,614
Segment profit:				
In the United States:				
Marmaxx	**$ 1,002,722**	$ 989,560	**$ 2,840,121**	$ 2,828,590
HomeGoods	**172,741**	262,640	**344,342**	696,768
TJX Canada	**203,191**	168,558	**527,581**	358,821
TJX International	**98,445**	127,074	**216,292**	78,972
Total segment profit	**1,477,099**	1,547,832	**3,928,336**	3,963,151
General corporate expense	**118,315**	148,123	**384,276**	472,167
Impairment on equity investment	**—**	—	**217,619**	—
Loss on early extinguishment of debt	**—**	—	**—**	242,248
Interest (income) expense, net	**(427)**	20,674	**29,365**	94,023
Income before income taxes	**$ 1,359,211**	$ 1,379,035	**$ 3,297,076**	$ 3,154,713

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:

	Funded Plan		Unfunded Plan	
	Thirteen Weeks Ended		Thirteen Weeks Ended	
In thousands	**October 29, 2022**	October 30, 2021	**October 29, 2022**	October 30, 2021
Service cost	**$ 11,946**	$ 11,900	**$ 238**	$ 309
Interest cost	**14,806**	13,073	**1,018**	764
Expected return on plan assets	**(22,236)**	(24,017)	**—**	—
Amortization of net actuarial loss and prior service cost	**5,050**	3,358	**952**	1,076
Total expense	**$ 9,566**	$ 4,314	**$ 2,208**	$ 2,149

	Funded Plan		Unfunded Plan	
	Thirty-Nine Weeks Ended		Thirty-Nine Weeks Ended	
In thousands	**October 29, 2022**	October 30, 2021	**October 29, 2022**	October 30, 2021
Service cost	**$ 36,282**	$ 36,837	**$ 1,693**	$ 1,819
Interest cost	**43,658**	39,073	**2,880**	2,324
Expected return on plan assets	**(66,693)**	(72,001)	**—**	—
Amortization of net actuarial loss and prior service cost	**13,600**	10,858	**2,709**	3,385
Total expense	**$ 26,847**	$ 14,767	**$ 7,282**	$ 7,528

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. The Company does not anticipate any required funding in fiscal 2023 for the funded plan. The Company anticipates making contributions of $4 million to provide current benefits coming due under the unfunded plan in fiscal 2023.

The amounts included in Amortization of net actuarial loss and prior service cost in the table above have been reclassified in their entirety from Accumulated other comprehensive loss to the Consolidated Statements of Income, net of related tax effects, for the periods presented.

Note I. Long-Term Debt and Credit Lines

The table below presents long-term debt as of October 29, 2022, January 29, 2022 and October 30, 2021. All amounts are net of unamortized debt discounts.

In thousands	**October 29, 2022**	January 29, 2022	October 30, 2021
General corporate debt:			
2.500% senior unsecured notes, maturing May 15, 2023 (effective interest rate of 2.51% after reduction of unamortized debt discount of $22 at October 29, 2022, $56 at January 29, 2022 and $67 at October 30, 2021)	**$ 499,978**	$ 499,944	$ 499,933
2.250% senior unsecured notes, maturing September 15, 2026 (effective interest rate of 2.32% after reduction of unamortized debt discount of $2,860 at October 29, 2022, $3,419 at January 29, 2022 and $3,606 at October 30, 2021)	**997,140**	996,581	996,394
1.150% senior unsecured notes, maturing May 15, 2028 (effective interest rate of 1.18% after reduction of unamortized debt discount of $715 at October 29, 2022, $811 at January 29, 2022, and $843 at October 30, 2021)	**499,285**	499,189	499,157
3.875% senior unsecured notes, maturing April 15, 2030 (effective interest rate of 3.89% after reduction of unamortized debt discount of $460 at October 29, 2022, $506 at January 29, 2022 and $522 at October 30, 2021)	**495,390**	495,344	495,328
1.600% senior unsecured notes, maturing May 15, 2031 (effective interest rate of 1.61% after reduction of unamortized debt discount of $507 at October 29, 2022, $551 at January 29, 2022, and $566 at October 30, 2021)	**499,493**	499,449	499,434
4.500% senior unsecured notes, maturing April 15, 2050 (effective interest rate of 4.52% after reduction of unamortized debt discount of $2,075 at October 29, 2022, $2,132 at January 29, 2022 and $2,151 at October 30, 2021)	**383,424**	383,367	383,348
Total debt	**3,374,710**	3,373,874	3,373,594
Current maturities of long-term debt, net of debt issuance costs	**(499,764)**	—	—
Debt issuance costs	**(16,947)**	(19,033)	(19,728)
Long-term debt	**$ 2,857,999**	$ 3,354,841	$ 3,353,866

Credit Facilities

The Company has two revolving credit facilities, a $1 billion senior unsecured revolving credit facility maturing in June 2026 (the “2026 Revolving Credit Facility”) and a $500 million revolving credit facility that matures in May 2024 (the “2024 Revolving Credit Facility”). Under these credit facilities, the Company has maintained a borrowing capacity of $1.5 billion. The terms of these revolving credit facilities require quarterly payments on the committed amount and payment of interest on borrowings at rates based on LIBOR or a base rate plus a variable margin, in each case based on the Company’s long-term debt ratings. The 2024 Revolving Credit Facility requires usage fees based on total credit extensions under the facility. As of October 29, 2022, January 29, 2022 and October 30, 2021, there were no amounts outstanding under any of the Company’s facilities. Each of these facilities require TJX to maintain a ratio of funded debt to earnings before interest, taxes, depreciation and amortization and rentals (EBITDAR) of not more than 3.50 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 October 29, 2022, January 29, 2022 and October 30, 2021, 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 October 29, 2022, January 29, 2022 and October 30, 2021, and during the quarters and year then ended, there were no amounts outstanding on the Canadian credit lines for operating expenses. As of October 29, 2022, January 29, 2022 and October 30, 2021, the Company’s European business at TJX International had an uncommitted credit line of £5 million. As of October 29, 2022, January 29, 2022 and October 30, 2021, 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 21.8% for the third quarter of fiscal 2023 and 25.8% for the third quarter of fiscal 2022. The effective income tax rate was 25.4% for the first nine months of fiscal 2023 and 25.7% for the first nine months of fiscal 2022. The decrease in the third quarter and first nine months of fiscal 2023 effective income tax rate is primarily due to the $54 million benefit from the completion of the divestiture of our minority investment in Familia, the change of jurisdictional mix of profits and losses and the resolution of various tax matters, partially offset by a reduction of excess tax benefits from share-based compensation.

TJX had net unrecognized tax benefits of $262 million as of October 29, 2022, $288 million as of January 29, 2022 and $287 million as of October 30, 2021.

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. and India, fiscal years through 2010 are no longer subject to examination. In all other jurisdictions, fiscal years through 2011 are no longer subject to examination.

TJX's accounting policy is to classify interest and penalties related to income tax matters as part of income tax expense. The accrued amounts for interest and penalties on the Consolidated Balance Sheets was $37 million as of October 29, 2022, $43 million as of January 29, 2022 and $43 million as of October 30, 2021.

Based on the final resolution of tax examinations, judicial or administrative proceedings, changes in facts or law, expirations of statutes of limitations in specific jurisdictions or other resolutions of, or changes in, tax positions, it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those represented on the consolidated financial statements as of October 29, 2022. During the next 12 months, it is reasonably possible that tax audit resolutions may reduce unrecognized tax benefits by up to $41 million, which would reduce the provision for taxes on earnings.

Note K. Contingent Obligations, Contingencies, and Commitments

Contingent Contractual Obligations

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 including title to assets sold, specified environmental matters or certain income taxes. These obligations are sometimes limited in time or amount. There are no amounts reflected in the Company's Consolidated Balance Sheets with respect to these contingent obligations.

Legal Contingencies

TJX is subject to certain legal proceedings, lawsuits, disputes and claims that arise from time to time in the ordinary course of its business. TJX has accrued immaterial amounts in the accompanying Consolidated Financial Statements for certain of its legal proceedings.

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 October 29, 2022
Compared to
The Thirteen Weeks (third quarter) and Thirty-Nine Weeks (nine months) Ended October 30, 2021

OVERVIEW

We are the leading off-price apparel and home fashions retailer in the U.S. and worldwide. Our mission is to deliver great value to our customers every day. We do this by selling 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 through our stores and five distinctive branded e-commerce sites. We operate over 4,700 stores through our four main segments: in the U.S., Marmaxx (which operates T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com) and HomeGoods (which operates HomeGoods, Homesense and homegoods.com); 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). In addition to our four main segments, Sierra operates retail stores and sierra.com in the U.S. The results of Sierra are included in the Marmaxx segment.

RESULTS OF OPERATIONS

As an overview of our financial performance, results for the quarter ended October 29, 2022 include the following:

- Net sales decreased 3% to $12.2 billion for the third quarter of fiscal 2023 versus last year’s third quarter sales of $12.5 billion. On a constant currency basis, net sales were flat. As of October 29, 2022, the number of stores in operation increased 2% and selling square footage increased 2% compared to the end of the third quarter of fiscal 2022.
- U.S. comp store sales decreased 2% for the third quarter of fiscal 2023. U.S. open-only comp store sales increased 16% for the third quarter of fiscal 2022. See Net Sales below for definition of both U.S. comp store sales and U.S. open-only comp store sales.
- Net sales decreased 1% for TJX Canada and decreased 16% for TJX International for the third quarter of fiscal 2023. On a constant currency basis, net sales increased 4% for TJX Canada and decreased 1% for TJX International.
- Diluted earnings per share for the third quarter of fiscal 2023 were $0.91 versus $0.84 in the third quarter of fiscal 2022. The third quarter of fiscal 2023 included a $0.05 positive impact due to a $54 million tax benefit from the completion of the divestiture of our minority investment in Familia.
- Pre-tax profit margin (the ratio of pre-tax income to net sales) for the third quarter of fiscal 2023 was 11.2%, which was a 0.2 percentage point increase compared with 11.0% in the third quarter of fiscal 2022.
- Our cost of sales ratio, including buying and occupancy costs, for the third quarter of fiscal 2023 was 70.9%, a 0.4 percentage point increase compared with 70.5% in the third quarter of fiscal 2022.
- Our selling, general and administrative (“SG&A”) expense ratio for the third quarter of fiscal 2023 was 18.0%, a 0.3 percentage point decrease compared with 18.3% in the third quarter of fiscal 2022.
- Our consolidated average per store inventories, including inventory on hand at our distribution centers (which excludes inventory in transit) and excluding our e-commerce sites and Sierra stores, were up 27% on a reported basis and 31% on a constant currency basis at the end of the third quarter of fiscal 2023.
- During the third quarter of fiscal 2023, we returned over $0.8 billion to our shareholders through share repurchases and dividends.

Operating Results as a Percentage of Net Sales

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021	**October 29, 2022**	October 30, 2021
Net sales	**100.0 %**	100.0 %	**100.0 %**	100.0 %
Cost of sales, including buying and occupancy costs	**70.9**	70.5	**71.8**	71.0
Selling, general and administrative expenses	**18.0**	18.3	**18.2**	19.0
Impairment on equity investment	**—**	—	**0.6**	—
Loss on early extinguishment of debt	**—**	—	**—**	0.7
Interest (income) expense, net	**—**	0.2	**0.1**	0.3
Income before provision for income taxes*	**11.2 %**	11.0 %	**9.3 %**	9.1 %

* Figures may not foot due to rounding.

Net Sales

Net sales for the quarter ended October 29, 2022 totaled $12.2 billion, a 3% decrease versus third quarter fiscal 2022 net sales of $12.5 billion. The decrease reflects a 3% negative impact from foreign currency exchange rates and a 2% decrease in U.S. comp store sales, partially offset by a 2% increase from non-comp store sales. Net sales from our e-commerce sites combined amounted to less than 3% of total sales for each of the third quarters of fiscal 2023 and fiscal 2022.

Net sales for the nine months ended October 29, 2022 totaled $35.4 billion, a 2% increase versus the first nine months of fiscal 2022 net sales of $34.7 billion. The increase includes a 6% increase in non-comp store sales, which reflects a fully open store base for the nine-month period compared to temporary store closures of 6% for the first nine months of fiscal 2022. This was partially offset by a 2% decrease in U.S. comp store sales and a 2% negative impact from foreign currency exchange rates. Net sales from our e-commerce sites combined amounted to less than 3% of total sales for the first nine months of both fiscal 2023 and fiscal 2022.

For fiscal 2023, we returned to our historical definition of comparable store sales. While stores in the U.S. were open for all of fiscal 2022, a significant number of stores in TJX Canada and TJX International experienced COVID-19 related temporary store closures and government-mandated shopping restrictions during fiscal 2022. Therefore, we cannot measure year-over-year comparable store sales with fiscal 2022 in these geographies in a meaningful way. As a result, the comparable stores included in the fiscal 2023 measure consist of U.S. stores only, which we refer to as U.S. comparable store sales ("U.S. comp store sales"), and are calculated against sales for the comparable periods in fiscal 2022.

U.S. comp store sales decreased 2% for the third quarter and 2% for the first nine months of fiscal 2023 compared to a 16% U.S. open-only comp store sales increase in the third quarter and an 18% open-only comp store increase in the first nine months of fiscal 2022. U.S. comp store sales for both periods reflect a decrease in customer traffic partially offset by an increase in average basket driven by higher average ticket. Strong apparel comp sales outperformed a decline in home fashions sales for the third quarter and first nine months ended October 29, 2022.

There remains significant uncertainty in the current macro-economic environment, driven by inflationary pressures, as well as ongoing industry-wide supply chain issues. These factors have impacted, and are expected to continue to impact, consumer discretionary spending and many of the costs in our business.

As of October 29, 2022, our store count increased 2% and selling square footage increased 2% compared to the end of the third quarter last year.

Definition of Comp Store Sales

We define comparable store sales, or comp store 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 store 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.

Sales excluded from comp store sales (“non-comp store sales”) consist of sales from:

- New stores - stores that have not yet met the comp store sales criteria, which represents a substantial majority of non-comp store sales
- Stores that are closed permanently or for an extended period of time
- Sales from our e-commerce sites

We determine which stores are included in the comp store 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.

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

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

We define customer traffic to be the number of transactions in stores 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.

Open-Only Comp Store Sales

Due to the temporary closing of stores as a result of the COVID-19 pandemic, our historical definition of comp store sales was not applicable for fiscal 2022. In order to provide a performance indicator for its stores, during fiscal 2022, we temporarily reported open-only comp store sales. Open-only comp store sales included stores initially classified as comp stores at the beginning of fiscal 2021. This measure reported the sales increase or decrease of these stores for the days the stores were open in fiscal 2022 against sales for the same days in fiscal 2020, prior to the emergence of the global pandemic.

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. We specifically refer to “foreign currency” as the impact of translational foreign currency exchange and mark-to-market of inventory derivatives, as described in detail below. This does not include the impact foreign currency exchange rates can have on various transactions that are denominated in a currency other than an operating division's local currency, which is referred to as “transactional foreign exchange,” and also described below.

Translation Foreign Exchange

In our consolidated 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 assets, liabilities, 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.

Mark-to-Market Inventory 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.

Transactional Foreign Exchange

When discussing the impact on our results of the effect of foreign currency exchange rates on certain transactions, we refer to it as “transactional foreign exchange”. This primarily includes the impact that foreign currency exchange rates may have on the year-over-year comparison of merchandise margin as well as “foreign currency gains and losses” on transactions that are denominated in a currency other than the operating division's local currency. These two items can impact segment margin comparison of our foreign divisions and we have highlighted them when they are meaningful to understanding operating trends.

Cost of Sales, Including Buying and Occupancy Costs

Cost of sales, including buying and occupancy costs, as a percentage of net sales was 70.9% for the third quarter of fiscal 2023, an increase of 0.4 percentage points over 70.5% for the third quarter of fiscal of 2022.

Cost of sales, including buying and occupancy costs, as a percentage of net sales was 71.8% for the first nine months of fiscal 2023, an increase of 0.8 percentage points over 71.0% for the first nine months of fiscal of 2022.

The increase in the cost of sales ratio, including buying and occupancy costs, for the third quarter of fiscal 2023 was primarily attributable to deleverage on occupancy costs and investments in supply chain. Merchandise margin was flat as strong markon was fully offset by approximately 1.2 percentage points of incremental freight costs for the third quarter and higher markdowns.

The increase in the cost of sales ratio, including buying and occupancy costs, for the first nine months of fiscal 2023 was primarily attributable to lower merchandise margin and investments in supply chain. Within merchandise margin, strong markon was more than offset by approximately 1.8 percentage points of incremental freight costs as well as higher markdowns.

Selling, General and Administrative Expenses

SG&A expenses, as a percentage of net sales, were 18.0% for the third quarter of fiscal 2023, a decrease of 0.3 percentage points from last year’s third quarter ratio of 18.3%.

SG&A expenses, as a percentage of net sales, were 18.2% for the first nine months of fiscal 2023, a decrease of 0.8 percentage points from last year’s first nine months ratio of 19.0%.

The decrease in the SG&A ratio for the third quarter of fiscal 2023 was primarily driven by lower store payroll costs due to a reduction in COVID-related costs as well as lower incentive compensation costs, partially offset by higher store wages. The decrease in the SG&A ratio for the first nine months of fiscal 2023 was primarily driven by store payroll due to a reduction of COVID-related costs.

Impairment on Equity Investment

During the first quarter ended April 30, 2022, due to the Russian invasion of Ukraine, we announced that we had committed to divesting our minority investment in Familia, an off-price retailer of apparel and home fashions domiciled in Luxembourg that operates stores in Russia. As a result, we performed an impairment analysis and concluded that there was an other-than-temporary impairment of this investment. We recorded an impairment charge of $218 million representing the entire carrying value of the investment in the first quarter of fiscal 2023. We completed the divestiture of this investment during the quarter ended October 29, 2022, resulting in a $54 million tax benefit.

Interest Expense, net

The components of interest expense, net are summarized below:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
In millions	**October 29, 2022**	October 30, 2021	**October 29, 2022**	October 30, 2021
Interest expense	**$ 23**	$ 23	**$ 69**	$ 100
Capitalized interest	**(2)**	(1)	**(5)**	(3)
Interest (income)	**(21)**	(2)	**(34)**	(4)
Interest expense, net	**$ —**	$ 20	**$ 30**	$ 93

Net interest expense decreased for both the third quarter of fiscal 2023 and the nine months ended October 29, 2022 compared to the same periods in fiscal 2022, primarily due to the $2.75 billion pay down of outstanding debt during fiscal 2022 as well as an increase in interest income over the same periods.

Provision for Income Taxes

The effective income tax rate was 21.8% for the third quarter of fiscal 2023 compared to 25.8% for the third quarter of fiscal 2022. The effective income tax rate was 25.4% and 25.7% for the first nine months of fiscal 2023 and fiscal 2022, respectively.

The decrease in the third quarter and first nine months of fiscal 2023 effective income tax rate is primarily due to the benefit from the completion of the divestiture of our minority investment in Familia, the change of jurisdictional mix of profits and losses and the resolution of various tax matters, partially offset by a reduction of excess tax benefits from share-based compensation.

Net Income and Diluted Earnings Per Share

Net income for the third quarter of fiscal 2023 was $1.1 billion, or $0.91 per diluted share compared with $1.0 billion, or $0.84 per diluted share for the third quarter of fiscal 2022. The $54 million tax benefit on the divestiture of our minority investment in Familia had a $0.05 positive impact on earnings per share for the third quarter of fiscal 2023. Foreign currency had a $0.01 negative impact on earnings per share for the third quarter of fiscal 2023 compared to a $0.01 negative impact on earnings per share for the third quarter of fiscal 2022.

Net income for the first nine months of fiscal 2023 was $2.5 billion, or $2.08 per diluted share compared with $2.3 billion, or $1.92 per diluted share for the first nine months of fiscal 2022. The $218 million impairment on our previously-held minority investment in Familia, net of the $54 million tax benefit, had a $0.14 negative impact on earnings per share for the first nine months of fiscal 2023. Foreign currency had a $0.02 negative impact on earnings per share for the first nine months of fiscal 2023 compared to a neutral impact on earnings per share for the first nine months of fiscal 2022. The $242 million debt extinguishment charge in fiscal 2022 had a $0.15 negative impact on earnings per share for the first nine months of fiscal 2022.

Segment Information

We operate four main business segments. Our Marmaxx segment (T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com) and our HomeGoods segment (HomeGoods, Homesense and homegoods.com) 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. In addition to our four main segments, Sierra operates retail stores and sierra.com in the U.S. The results of Sierra are included in the 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 and interest expense, net, and certain separately disclosed unusual or infrequent items. “Segment profit or loss,” as we define the term, may not be comparable to similarly titled measures used by other companies. 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.

Presented below is selected financial information related to our business segments.

U.S. SEGMENTS

Marmaxx

U.S. dollars in millions		Thirteen Weeks Ended				Thirty-Nine Weeks Ended		
		October 29, 2022		October 30, 2021		**October 29, 2022**		October 30, 2021
Net sales	**$**	**7,455**	$	7,214	**$**	**21,562**	$	21,203
Segment profit	**$**	**1,003**	$	990	**$**	**2,840**	$	2,829
Segment profit margin		**13.5 %**		13.7 %		**13.2 %**		13.3 %
Comp store sales[(a)]		**3 %**		11 %		**1 %**		14 %
Stores in operation at end of period:								
T.J. Maxx						**1,295**		1,285
Marshalls						**1,171**		1,148
Sierra						**72**		55
Total						**2,538**		2,488
Selling square footage at end of period (in thousands):								
T.J. Maxx						**28,068**		27,905
Marshalls						**26,547**		26,185
Sierra						**1,156**		895
Total						**55,771**		54,985

(a) Comp store sales reported for fiscal 2023 and open-only comp store sales reported for fiscal 2022.

Net Sales

Net sales for Marmaxx were $7.5 billion for the third quarter of fiscal 2023, an increase of 3% compared to $7.2 billion for the third quarter of fiscal 2022. The increase in the third quarter was driven by a 3% increase from comp store sales. The increase in comp store sales was primarily attributable to an increase in average basket driven by higher average ticket, partially offset by a decrease in customer traffic. Net sales for Marmaxx were $21.6 billion for the first nine months of fiscal 2023, an increase of 2% compared to $21.2 billion for the first nine months of fiscal 2022 due to a 1% increase from comp stores sales and a 1% increase from non-comp store sales. For both the three and nine months ended October 29, 2022, positive apparel sales outperformed a decline in home fashions sales.

Segment Profit Margin

Segment profit margin decreased to 13.5% for the third quarter of fiscal 2023 compared to 13.7% for the same period last year. The decrease in segment profit margin for the third quarter of fiscal 2023 was driven by lower merchandise margin, higher store and distribution center wages and investments in supply chain, partially offset by lower store payroll reflecting lower COVID-related expenses and lower incentive compensation costs. Within merchandise margin, incremental freight costs and higher markdowns were partially offset by strong markon.

Segment profit margin decreased to 13.2% for the first nine months of fiscal 2023 compared to 13.3% for the same period last year. The decrease in segment profit margin for this period was driven by lower merchandise margin, higher store and distribution center wages and deleverage on administrative and occupancy costs, partially offset by store payroll reflecting lower COVID-related expenses. Within merchandise margin, incremental freight costs and higher markdowns were partially offset by strong markon.

Our Marmaxx e-commerce sites, tjmaxx.com and marshalls.com, together with sierra.com, represented less than 3% of Marmaxx's net sales for the third quarter and the first nine months of fiscal 2023 and fiscal 2022, and did not have a significant impact on year-over-year segment margin comparisons.

HomeGoods

U.S. dollars in millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021	**October 29, 2022**	October 30, 2021
Net sales	**$ 1,948**	$ 2,254	**$ 5,840**	$ 6,479
Segment profit	**$ 172**	$ 263	**$ 344**	$ 697
Segment profit margin	**8.9 %**	11.7 %	**5.9 %**	10.8 %
Comp store sales[(a)]	**(16)%**	34 %	**(12)%**	36 %
Stores in operation at end of period:				
HomeGoods			**880**	850
Homesense			**43**	39
Total			**923**	889
Selling square footage at end of period (in thousands):				
HomeGoods			**16,084**	15,550
Homesense			**920**	837
Total			**17,004**	16,387

(a) Comp store sales reported for fiscal 2023 and open-only comp store sales reported for fiscal 2022.

Net Sales

Net sales for HomeGoods were $1.9 billion for the third quarter of fiscal 2023, a decrease of 14%, compared to $2.3 billion for the third quarter of fiscal 2022. The decrease in the third quarter reflects a 16% decrease from comp store sales, partially offset by a 2% increase from non-comp store sales. The decrease in comp store sales for the third quarter was primarily driven by a decrease in customer traffic. Net sales for HomeGoods were $5.8 billion for the first nine months of fiscal 2023, a decrease of 10%, compared to $6.5 billion for the first nine months of fiscal 2022. The decrease in the first nine months reflects a 12% decrease from comp store sales, partially offset by a 2% increase from non-comp store sales. The decreases in comp store sales for the first nine months of fiscal 2023 reflected a decrease in customer traffic, partially offset by an increase in average basket driven by higher average ticket.

Segment Profit Margin

Segment profit margin decreased to 8.9% for the third quarter of fiscal 2023 compared to 11.7% for the same period last year. The decrease in segment profit margin for the third quarter was driven by deleverage on lower comp store sales, primarily in occupancy and administration costs and higher store and distribution wages, partially offset by store payroll reflecting lower COVID-related expenses. Within merchandise margin, strong markon was mostly offset by 1.6 percentage points of incremental freight as well as higher markdowns.

Segment profit margin decreased to 5.9% for the first nine months of fiscal 2023 compared to 10.8% for the same period last year. The decrease in segment profit margin for the first nine months of fiscal 2023 was driven by deleverage on lower comp store sales, primarily in occupancy and administrative costs, lower merchandise margin and higher store and distribution wages, partially offset by store payroll reflecting lower COVID-related expenses. Merchandise margin includes incremental freight costs of approximately 5.2 percentage points as well as higher markdowns. These costs were partially offset by strong markon and the benefits from our pricing initiative.

Our HomeGoods e-commerce website, homegoods.com, represented less than 1% of HomeGoods net sales for the third quarter and the first nine months of fiscal 2023, and did not have a significant impact on year-over-year segment margin comparisons.

FOREIGN SEGMENTS

TJX Canada

U.S. dollars in millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021	**October 29, 2022**	October 30, 2021
Net sales	**$ 1,285**	$ 1,301	**$ 3,615**	$ 3,088
Segment profit	**$ 204**	$ 169	**$ 528**	$ 359
Segment profit margin	**15.8 %**	13.0 %	**14.6 %**	11.6 %
Stores in operation at end of period:				
Winners			**296**	292
HomeSense			**150**	147
Marshalls			**106**	106
Total			**552**	545
Selling square footage at end of period (in thousands):				
Winners			**6,336**	6,279
HomeSense			**2,796**	2,733
Marshalls			**2,220**	2,220
Total			**11,352**	11,232

Net Sales

Net sales for TJX Canada were $1.3 billion for the third quarter of fiscal 2023 compared to $1.3 billion for the third quarter of fiscal 2022. The negative foreign currency exchange rate impact of 5% in the third quarter of fiscal 2023 was offset by an increase in average basket, primarily due to higher average ticket. Net sales for TJX Canada were $3.6 billion for the first nine months of fiscal 2023, an increase of 17% compared to $3.1 billion for the first nine months of fiscal 2022. The increase in net sales reflects having a fully open store base for the first nine months of fiscal 2023, compared to temporary store closures for 16% of the first nine months of fiscal 2022 as a result of the COVID-19 pandemic. The negative foreign currency exchange rate impact of 5% in the first nine months of fiscal 2023 was more than offset by an increase in average basket driven by higher average ticket.

Segment Profit Margin

Segment profit margin increased to 15.8% for the third quarter of fiscal 2023 compared to 13.0% for the same period last year. The increase for the third quarter of fiscal 2023 was driven by higher merchandise margin, a benefit from prior year mark-to-market adjustments on derivatives, lower store payroll reflecting lower COVID-related expenses, and lower incentive compensation costs. This was partially offset by higher store and distribution wages. Merchandise margin reflects a favorable year-over-year comparison related to freight costs, strong markon and the benefits from our pricing initiative which were partially offset by higher markdowns.

Segment profit margin increased to 14.6% for the first nine months of fiscal 2023 compared to 11.6% for the same period last year. The increase for the first nine months of fiscal 2023 was primarily driven by leverage on increased sales, primarily in occupancy and administrative costs. Within merchandise margin, strong markon and the benefits from our pricing initiative more than offset incremental freight costs for the first nine months of fiscal 2023.

TJX International

U.S. dollars in millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021	**October 29, 2022**	October 30, 2021
Net sales	**$ 1,479**	$ 1,764	**$ 4,399**	$ 3,926
Segment profit (loss)	**$ 98**	$ 127	**$ 216**	$ 79
Segment profit margin	**6.7 %**	7.2 %	**4.9 %**	2.0 %
Stores in operation at end of period:				
T.K. Maxx			**629**	618
Homesense			**78**	78
T.K. Maxx Australia			**73**	66
Total			**780**	762
Selling square footage at end of period (in thousands):				
T.K. Maxx			**12,645**	12,412
Homesense			**1,141**	1,142
T.K. Maxx Australia			**1,277**	1,172
Total			**15,063**	14,726

Net Sales

Net sales for TJX International were $1.5 billion for the third quarter of fiscal 2023, a decrease of 16% compared to $1.8 billion for the third quarter of fiscal 2022. The decrease in net sales was primarily due to a negative foreign currency exchange rate impact of 15% in the third quarter of fiscal 2023. Net sales for TJX International were $4.4 billion for the first nine months of fiscal 2023, an increase of 12% compared to $3.9 billion for the first nine months of fiscal 2022. The increase in net sales for the first nine months of fiscal 2023 reflects having a fully open store base, compared to temporary store closings for 26% of the first nine months of fiscal 2022 as a result of the COVID-19 pandemic, which was partially offset by the negative foreign currency exchange rate impact of 15%.

E-commerce sales were approximately 3% and 4% of TJX International’s net sales for the third quarters of fiscal 2023 and fiscal 2022, respectively, and 3% and 5% for the first nine months of the same periods.

Segment Profit Margin

Segment profit margin decreased to 6.7% for the third quarter of fiscal 2023 compared to 7.2% for the same period last year. This decrease primarily reflects expense deleverage on occupancy and administrative costs and higher store and distribution wages, partially offset by higher merchandise margin. Within merchandise margin, strong markon was partially offset by incremental freight costs and higher markdowns.

Segment profit margin increased to 4.9% for the first nine months of fiscal 2023 compared to 2.0% for the same period last year. This increase was primarily driven by leverage on increased sales, primarily in occupancy and administrative costs, as well as lower COVID-related expenses in stores and distribution centers, lower incentive compensation costs and higher merchandise margin. This was partially offset by government programs received in fiscal 2022 that did not continue into fiscal 2023. Within merchandise margin, strong markon was partially offset by incremental freight costs and higher markdowns.

GENERAL CORPORATE EXPENSE

In millions	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 2022	October 30, 2021	**October 29, 2022**	October 30, 2021
General corporate expense	**$ 118**	$ 148	**$ 384**	$ 472

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. The mark-to-market adjustment of our fuel and inventory hedges is included in cost of sales, including buying and occupancy costs.

The decrease in general corporate expense for the third quarter of fiscal 2023 was primarily driven by lower share-based and incentive compensation costs.

The decrease in general corporate expense for the first nine months of fiscal 2023 was primarily driven by lower share-based and incentive compensation costs and the timing of 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 October 29, 2022, there were no short-term bank borrowings or commercial paper outstanding. We have current maturities of long-term debt which will mature in the first half of fiscal 2024. We believe our existing cash and cash equivalents, internally generated funds and our credit facilities, under which facilities we have $1.5 billion available as of the period ended October 29, 2022, as described in Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements, are adequate to meet our operating needs for the foreseeable future.

As of October 29, 2022, we held $3.4 billion in cash. Approximately $1.0 billion of our cash was held by our foreign subsidiaries with $0.5 billion held in countries where we 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 October 29, 2022. 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 monitor debt financing markets on an ongoing basis and from time to time may incur additional long-term indebtedness depending on prevailing market conditions, liquidity requirements, existing economic conditions and other factors. In fiscal 2022 we used, and in the future we may again use, operating cash flow and cash on hand to repay portions of our indebtedness, depending on prevailing market conditions, liquidity requirements, existing economic conditions, contractual restrictions and other factors. As such, we may, from time to time, seek to retire, redeem, prepay or purchase our outstanding debt through redemptions, cash purchases, prepayments, refinancings and/or exchanges, in open market purchases, privately negotiated transactions, by tender offer or otherwise. If we use our operating cash flow and/or cash on hand to repay our debt, it will reduce the amount of cash available for additional capital expenditures.

Operating Activities

Operating activities resulted in net cash inflows of $1.1 billion for the nine months ended October 29, 2022 and $1.9 billion for the nine months ended October 30, 2021.

Operating cash flows decreased compared to fiscal 2022, with the primary driver being a $0.8 billion decrease in accrued expenses, the largest component of which was lower incentive compensation costs.

Investing Activities

Investing activities resulted in net cash outflows of $1.1 billion for the nine months ended October 29, 2022 and $0.7 billion for the nine months ended October 30, 2021. The cash outflows for both periods were driven by capital expenditures.

Investing activities in the first nine months of fiscal 2023 primarily reflected property additions for investments in our new stores, store improvements and renovations, as well as investments in our distribution centers and offices, including buying and merchandising systems and other information systems. We anticipate that capital spending for the full fiscal year 2023 will be approximately $1.7 billion to $1.9 billion. We plan to fund these expenditures through cash flows from operations.

Financing Activities

Financing activities resulted in net cash outflows of $2.7 billion for the first nine months of fiscal 2023 and net cash outflows of $4.9 billion for the nine months ended October 30, 2021. The cash outflows for fiscal 2023 were primarily driven by equity repurchases and dividend payments.

Debt

Cash outflows of $3.0 billion in the first nine months of fiscal 2022 were due to the completion of make-whole calls and the redemption at par of certain of our notes.

Our 2.50% ten-year Notes due May 2023 will mature during our second quarter of fiscal 2024 and are included within our current maturities of long-term debt, see Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements. We plan to repay this debt using cash generated from operations.

Equity

Under our stock repurchase program, we paid $1.8 billion to repurchase and retire 29.1 million shares of our stock on a settlement basis in the first nine months of fiscal 2023. As of October 29, 2022, approximately $2.0 billion remained available under our existing stock repurchase program. We paid $1.1 billion to repurchase and retire 16.3 million shares of our stock on a settlement basis in the first nine months of fiscal 2022.

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”), was signed into law. Among other things, the IRA imposes a 15% corporate alternative minimum tax for tax years beginning after December 31, 2022 and levies a 1% excise tax on net stock repurchases after December 31, 2022. Historically, during the year we have made discretionary share repurchases. Beginning on January 1, 2023, these purchases would be subject to the excise tax. Based on historical net repurchase activity, the excise tax and the other provisions of the IRA are not expected to have a material impact on our results of operations or financial position. However, we are still in the process of analyzing the provisions of the IRA.

For further information regarding equity repurchases, see Note D – Capital Stock and Earnings Per Share of Notes to Consolidated Financial Statements.

Dividends

We declared quarterly dividends on our common stock of $0.295 per share for each of the quarters in fiscal 2023 and expect to declare a similar dividend in the fourth quarter of fiscal 2023, subject to approval by the Board of Directors. We declared quarterly dividends on our common stock of $0.26 per share for each of the quarters in fiscal 2022. Cash payments for dividends on our common stock totaled $1.0 billion for the first nine months of fiscal 2023 and $0.9 billion for the first nine months of fiscal 2022.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

There have been no material changes to the critical accounting estimates as discussed in TJX's Annual Report on Form 10-K for the fiscal year ended January 29, 2022. 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 January 29, 2022 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: the ongoing COVID-19 pandemic and associated containment and remediation efforts; execution of buying strategy and inventory management; various marketing efforts; customer trends and preferences; competition; operational and business expansion; management of large size and scale; merchandise sourcing and transport; labor costs and workforce challenges; personnel recruitment, training and retention; data security and maintenance and development of information technology systems; corporate and retail banner reputation; cash flow; expanding international operations; fluctuations in quarterly operating results and market expectations; mergers, acquisitions, business investments and divestitures, closings or business consolidations; real estate activities; inventory or asset loss; economic conditions and consumer spending; market instability; serious disruptions or catastrophic events; disproportionate impact of disruptions in the final quarter of the fiscal year; commodity availability and pricing; adverse or unseasonable weather; fluctuations in currency exchange rates; compliance with laws, regulations and orders and changes in laws, regulations and applicable accounting standards; outcomes of litigation, legal proceedings and other legal or regulatory matters; quality, safety and other issues with our merchandise; tax matters; 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 January 29, 2022.

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 October 29, 2022 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.

There were no changes in the Company’s internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Act) during the fiscal quarter ended October 29, 2022 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

See Note K—Contingent Obligations, Contingencies, and Commitments of Notes to Consolidated Financial Statements for information on legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended January 29, 2022, as filed with the Securities Exchange Commission on March 30, 2022.

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 2023 and the average price paid per share are as follows:

	Total Number of Shares Repurchased[a]	Average Price Paid Per Share[b]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[c]	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs[c]
July 31, 2022 through August 27, 2022	1,475,164	$ 64.40	1,475,164	$ 2,398,792,388
August 28, 2022 through October 1, 2022	3,462,842	$ 63.53	3,462,842	$ 2,178,792,468
October 2, 2022 through October 29, 2022	2,785,775	$ 66.41	2,785,775	$ 1,993,792,574
Total	**7,723,781**		**7,723,781**	

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

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

(c) In February 2022, we announced that our Board of Directors had approved a new stock repurchase program that authorizes the repurchase of up to an additional $3.0 billion of our common stock from time to time. Under this program we had approximately $2.0 billion available for repurchase as of October 29, 2022.

Item 6. Exhibits

		Incorporate by Reference		
Exhibit No.	**Description**	**Form**	**Exhibit No.**	**Filing Date**
10.1	The Stock Incentive Plan (2022 Restatement)*	10-Q	10.1	8/26/22
10.2	The Form of Non-Qualified Stock Option Terms and Conditions granted under the Stock Incentive Plan as of September 19, 2022, filed herewith*			
10.3	The Stock Incentive Plan Rules for U.K. Employees effective as of September 19, 2022, filed herewith*			
10.4	The Executive Severance and Change of Control Plan effective as of September 19, 2022, filed herewith*			
10.5	The Offer Letter Agreement dated November 14, 2022 between John Klinger and TJX, filed herewith*			
10.6	The Obligations Agreement dated November 14, 2022 between John Klinger and TJX, filed herewith*			
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith			
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith			
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith			
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith			
101	The following materials from The TJX Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 29, 2022, formatted in Inline 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 Statements of Shareholders' Equity, and (vi) Notes to Consolidated Financial Statements.			
104	The cover page from The TJX Companies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended October 29, 2022, formatted in Inline XBRL (included in Exhibit 101)			

* Management contract or compensatory plan or arrangement.

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: November 29, 2022

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

Exhibit 10.2

THE TJX COMPANIES, INC.

FORM OF NON-QUALIFIED STOCK OPTION TERMS AND CONDITIONS GRANTED UNDER THE COMPANY'S STOCK INCENTIVE PLAN

Series [ ]

These terms and conditions ("Terms and Conditions") apply to your non-qualified stock option to purchase shares of Common Stock, $1.00 par value, of The TJX Companies, Inc. (the "Company") granted to you ("you" or "optionee") under the Company's Stock Incentive Plan (as supplemented by any applicable sub-plan, the "Plan"). Capitalized terms that are used and that are not defined herein will have the meanings given to them in the Plan. Your option is subject to the terms and conditions of the Plan, the provisions of which, as from time to time amended, are incorporated into these Terms and Conditions. By accepting your option, you agree to these Terms and Conditions, including without limitation any applicable country-specific terms and conditions in the attached Addendum.

Please note that the local laws applicable to your option may change from time to time. You are advised to seek your own professional legal, tax, and financial advice in connection with this option grant and your acceptance of it. The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendation regarding your acceptance or exercise of this grant or the sale of shares received under the Plan.

The number of shares of Company stock subject to this option, the option price, and other important information has been made available to you through the Plan's recordkeeping system. For any questions about the Plan's recordkeeping system, please contact TJX Total Rewards at 774-308-3797.

1. **Date of Grant**: [ ]
2. **Expiration Date**: [ ]
3. **Exercise of Option**: [ ]

   This option may be exercised to the extent it has become exercisable at any time prior to the Expiration Date, subject to these Terms and Conditions. The option price may be payable as specified by the Company in its discretion in accordance with Section 6(c) of the Plan or any successor provision.

4. **Termination of Employment**: In the event of the termination of employment of the optionee, this option may thereafter be exercised during the following applicable period (or until the Expiration Date, if earlier) but only to the extent it was exercisable at the time of such termination (except as otherwise indicated below):

   [ ]

5. **Partial Acceleration of Exercisability Upon Death and Disability**: Subject to Paragraph 4 above, in the event of the termination of employment of the optionee due to the death or Disability of the optionee, in either case occurring more than three months after the Date of Grant, this option shall be exercisable as to the number of shares for which it could have been exercised immediately prior to such termination or, if greater, (i) the total number of shares subject to this option multiplied by a fraction the numerator of which shall be the number of days between the Date of Grant and such termination and the denominator of which shall be the number of days between the Date of Grant and the date upon which this option, by its terms, would have become fully exercisable, minus (ii) the number of shares, if any, previously purchased under this option; provided, however, that no shares may be purchased under this option in the event that such termination occurs within three months after the Date of Grant.

6. **Change of Control**: Upon the occurrence of a Change of Control occurring while this option is outstanding, the provisions of this Paragraph 6 shall apply notwithstanding any other provision of this option to the contrary

(a) *Rollover of option; qualifying termination following a Change of Control.* The Committee in its discretion may, but shall not be required to, provide in connection with the Change of Control that the surviving or acquiring entity or an affiliate thereof either continue or assume this stock option or grant another stock option in replacement thereof (any such continued, assumed or replacement option, a “rollover option”) on such terms and conditions as the Committee considers appropriate in the circumstances to reflect the transaction, having in mind the requirements for exemption under Section 409A of the Code and the regulations thereunder; *provide*d, that the terms of any rollover option shall provide for accelerated vesting of any unvested portion of the rollover option upon the qualifying termination of the optionee’s employment occurring upon or within twenty-four months following the Change of Control. For purposes of this subparagraph 6(a), “qualifying termination” shall mean an involuntary termination (other than for Cause) of the optionee’s employment with the Company and its Subsidiaries. If immediately prior to the Change of Control the optionee is party to an employment, severance or similar agreement with the Company or a Subsidiary, or is eligible to participate in a Company plan, in each case that has been approved by the Committee and that provides for severance or similar benefits upon a voluntary termination for “good reason” in connection with a change of control of the Company, a “qualifying termination” for purposes of this subparagraph 6(a) shall also include a voluntary termination for “good reason” as defined in the applicable agreement or plan.

(b) *Cash out of option.* The Committee in its discretion may, but shall not be required to, provide for a cash out of this option in connection with the Change of Control in lieu of providing for a rollover option pursuant to subparagraph 6(a) above. For purposes of this subparagraph 6(b), a “cash out” shall mean a payment in cash or property in exchange for this option in an amount equal to the aggregate fair market value as determined by the Committee of the shares of Common Stock subject to this option less the aggregate option price (provided that, in the event that the per-share option price of this option is equal to or greater than the fair market value of a share of Common Stock as so determined, the Committee may provide for the automatic cancellation of this option for no consideration), subject in the case of any cash out to such hold-backs or other transaction-related adjustments, and on such other terms and conditions, as the Committee may determine having in mind the requirements for exemption under Section 409A of the Code and the regulations thereunder.

(c) *Acceleration of exercisability*. The Committee may provide that this option, to the extent outstanding and not otherwise vested, shall become vested and exercisable, in full or in part, immediately prior to the consummation of the Change of Control or at such earlier time, if any, as the Committee may determine in order to give the optionee a reasonable opportunity, as determined by the Committee, following the exercise of the option to participate as a stockholder in the Change of Control.

This option (whether or not then vested, including after giving effect to any accelerated vesting pursuant to this Paragraph 6 or otherwise) shall terminate upon consummation of the Change of Control unless assumed or continued pursuant to subparagraph 6(a) above. All references to the Committee in this Paragraph 6 shall be construed to refer to the Committee as constituted and acting prior to consummation of the Change of Control. For the avoidance of doubt, no Committee action permitted by this Paragraph 6 will be treated as an action requiring the optionee’s consent under Section 10 of the Plan, and the provisions of Paragraph 9 below shall apply to any cash out or other settlement pursuant to this Paragraph 6. This Paragraph 6 shall be subject to the terms of any applicable sub-plan.

7. **Automatic Settlement in Certain Circumstances**: To the extent any portion of this option is otherwise exercisable but remains unexercised at the close of business on the Expiration Date (or on the date of the earlier expiration of the period for exercising such portion of the option following a termination of employment), and if on such date the Fair Market Value of the shares subject to such exercisable but unexercised portion of this option exceeds the aggregate consideration that would have been required to be paid to purchase such shares had such portion of this option been exercised, the optionee will automatically be paid, in cancellation of such portion of the option, an amount of Company Stock having a Fair Market Value equal to such excess, if any. This Paragraph 7 is subject to the terms of any applicable sub-plan. The optionee hereby acknowledges that tax and other legal requirements must be met prior to any settlement of options under this Paragraph 7 and hereby consents to any tax or other consequences that may arise in connection with this Paragraph 7.

8. **Limited Transferability**: This option may not be transferred by the optionee other than by will or by the laws of descent and distribution, and is only exercisable by the optionee during the optionee's lifetime. In the event of the optionee’s death, the option may be exercised by the optionee’s legal representative, legatee, or such other person as permitted by the provisions of Section 6(b) of the Plan or any successor provision.

9. **Withholding**: No shares or cash will be delivered or paid pursuant to the exercise or settlement of this option unless and until the person holding the option has paid to the Company, or has made arrangements satisfactory to the Company regarding payment of, any taxes, social contributions or other applicable amounts that are required to be withheld or that otherwise may be due (as determined by the Company in its sole discretion) as a consequence of such exercise or settlement or other taxable event in relation to this option. The optionee consents to (and agrees to indemnify the Company for) any withholding that the Company may deem necessary or appropriate of such amounts, including from payroll or any payment of any kind otherwise due to the optionee, as the Company may determine, and the payment of any such amounts to the relevant tax or other authorities by the Company or Subsidiary. The optionee understands that any individual tax, social contribution, or other liability that may arise in relation to this option is solely the optionee's (and not the Company's or Subsidiary's) responsibility and that such liability may exceed any amounts withheld. The optionee further understands that the optionee is solely responsible for filing any relevant documentation (including, without limitation, tax returns or reporting statements) that may be required in relation to this option (including, without limitation, any such documentation related to the holding of shares or any bank or brokerage account, the subsequent sale of shares, or the receipt of any dividends). The optionee further acknowledges that the Company does not commit to and is under no obligation to structure the terms or any aspect of the option to reduce or eliminate the optionee's liability for taxes or other amounts due or to achieve any particular tax result. The optionee also understands that varying share or option valuation methods may apply for purposes of tax calculations and reporting, and the Company assumes no liability in relation thereto. Further, the optionee acknowledges that if optionee moves, the optionee may be subject to liabilities in more than one jurisdiction, and the Company or any Subsidiary may withhold or account for liabilities in more than one jurisdiction.

10. **Data Privacy**:
In order to perform its obligations under the Plan or for the implementation and administration of the Plan, the Company or designated third parties may collect, transfer, use, process, or hold personal data about the optionee. Such data includes, but is not limited to, the optionee's name, nationality, citizenship, work authorization, date of birth, age, government or tax identification number, passport number, brokerage account information, address, compensation and equity award history, and beneficiaries' contact information. By accepting this grant, the optionee explicitly consents to the collection, transfer (including to third parties in the optionee's home country, or the United States or other countries (which may have different data privacy laws and protections), such as but not limited to human resources personnel, the Company's legal and/or tax advisors, and brokerage administrators), use, processing, holding, electronically or otherwise, of optionee's personal data in connection with this or any other equity award. Refusal or withdrawal of consent will affect the optionee's ability to participate in the Plan; without providing consent, optionee will not be able to participate in the Plan or to realize benefits (if any) from the option. At all times the Company shall maintain the confidentiality of the optionee's personal data, except to the extent the Company is required to provide such information to governmental agencies or other parties; any such actions will be undertaken by the Company only in accordance with applicable law. In particular, the Company may transfer personal data to the broker or stock plan administrator assisting with the Plan, to its legal counsel and tax/accounting advisor, and to the Subsidiary or affiliate that is optionee's employer and its payroll provider.

The optionee should also refer to the Company's HR Privacy Statement (which is available to the optionee separately and may be updated from time to time) for more information regarding the collection, use, storage, and transfer of the optionee's personal data.

11. **Mode of Communications**: By accepting this option, the optionee agrees, to the fullest extent permitted by law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company or Subsidiary may deliver in connection with this grant and any other grants offered by the Company, including prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications, and to participate in the Plan through an online system established and maintained by the Company or a third party designated by the Company, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions. Electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or the online brokerage account system. To the extent the optionee has been provided with a copy of these Terms and Conditions, the Plan, or any other documents relating to this grant in a language other than English, the English language document will prevail in case of any ambiguity or divergence resulting from the translation of such documents.

12. **Foreign Exchange Restrictions:** The optionee understands and agrees that neither the Company nor any Subsidiary is responsible or liable for (i) any foreign exchange fluctuation between the optionee's local currency (if applicable) and the United States Dollar (or the selection by the Company or Subsidiary of any applicable foreign exchange rate it may determine in its discretion to be appropriate) that may affect the value of this option or the calculated income, taxes or other amounts thereunder, or any related taxes or other amounts, or (ii) any decrease in the value of Stock or this option. The optionee understands and agrees that any cross-border remittance made to exercise this option or transfer proceeds received upon the sale of Stock must be made through a locally authorized financial institution or registered foreign exchange agency and that the optionee will be solely responsible for satisfying any requirements to provide such entity with certain information regarding the transaction.

13. **No Employment Rights or Other Entitlements**: The optionee agrees that any awards under the Plan, including this option and these Terms and Conditions, do not confer upon the optionee any right to continued employment with the Company or a Subsidiary, nor do they interfere in any way with the right of the Company or a Subsidiary to terminate the employment of the optionee at any time, subject to applicable law. Nothing contained in these Terms and Conditions shall be deemed to constitute or create a contract of employment, nor shall these Terms and Conditions constitute or create the right to remain associated with or in the employ of the Company or a Subsidiary for any particular period of time. Furthermore, this grant is made solely at the discretion of the Company, and these Terms and Conditions, the Plan, and any other Plan documents (i) are not part of the optionee's employment contract, if any, (ii) do not guarantee the optionee's right to receive any future grants under the Plan or benefits in lieu of grants, even if options have been granted repeatedly in the past, and (iii) shall not be taken into account for purposes of any pension or retirement entitlement (except as expressly set forth in the plan providing for such pension or retirement entitlement) or result in the inclusion of the value of any grants in the calculation of severance payments, if any, upon termination of employment.

14. **Compliance with Law**: Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue any Stock pursuant to this option, at any time, if the offering of the Stock covered by this option, or the exercise of this option by the optionee, violates or is not in compliance with any laws, rules or regulations of the United States or any state or country. Furthermore, the optionee understands that, to the extent applicable, the laws of the country in which the optionee is working at the time of grant, vesting, and/or exercise of this option (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent exercise of this option or may subject the optionee to additional procedural or regulatory requirements the optionee is solely responsible for and will have to independently fulfill in relation to this option, and the Company assumes no liability in relation to the option in such case, and that sales of Stock may be subject to restrictions under United States federal securities laws, and the laws, rules or regulations of any other relevant federal, state or local jurisdiction, and under Company policies including insider trading policies and procedures. Summaries of potentially applicable legal restrictions and requirements furnished in connection with the Plan, including in the Addendum attached hereto and in the Prospectus for the Plan and the stock option program thereunder, are not intended to be exhaustive, and the optionee acknowledges that other rules may apply. The Company reserves the right to impose other requirements on optionee's participation in the Plan, stock option awards thereunder, and any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with applicable law or facilitate the administration of the Plan.

15. **Governing Law and Forum**: The optionee acknowledges that the Plan is administered in the United States and these Terms and Conditions shall be governed by and interpreted, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to its or any other jurisdiction's conflicts of laws provisions. For purposes of resolving any dispute that may arise directly or indirectly from these Terms and Conditions, the parties hereby submit and consent to the exclusive jurisdiction of the Commonwealth of Massachusetts in the United States and agree that any litigation shall be conducted only in the United States District Court for the District of Massachusetts or a court of the Commonwealth of Massachusetts. The optionee further acknowledges that shares of Stock subject to this option will be issued and administered consistent with the requirements of applicable Delaware law and any applicable stock exchange requirements, as determined by the Committee.

16. **Waiver of Jury Trial; Forfeiture and Recoupment.** By accepting this option, the optionee waives, to the maximum extent permitted under applicable law, any right to a trial by jury in any action, proceeding, or counterclaim concerning any rights under the Plan or this option award, or under any amendment, waiver, consent, instrument, document, or other agreement delivered (or that may be delivered in the future) in connection with this option; provided, however, that nothing in this Paragraph 16 limits the ability of the Company and the optioned to agree to submit any dispute arising under the terms of the Plan or this option award to binding arbitration. This option award is subject to forfeiture and/or repayment to the Company, as described in Section 13(j) of the Plan, if applicable to the optionee.

17. **Other Terms**: The provisions of these Terms and Conditions are severable, and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. To the extent applicable, the country-specific terms and conditions in the attached Addendum shall apply to this option.

[Remainder of Page Intentionally Left Blank]

Rules for UK Employees
As amended April 7, 2009 and as further amended 17 September, 2018, 30 January 2022 and 19 September 2022

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 19 September 2022

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 of ITA 2007.

4. The Stock to be acquired on exercise of the Options will:

   (a) be fully paid up; and

   (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 439 of the Corporation Tax Act 2010 ("CTA 2010")) 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 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(q) 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, the reference in Section 2(b) of the Plan to different forms of settlement does not apply to Options under this Sub-Plan. Options under this Sub-Plan may only be settled in shares of Stock.

   (e) 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 they 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. Any provisions in Section 12 of the Plan which are inconsistent with the terms of paragraphs 25A and 26 of Schedule 4 shall not apply to Options granted under this Sub-Plan.

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 (notwithstanding paragraph 15 of this Sub-Plan). Sections 6(b) and 6(d) shall be construed accordingly;

(c) Sections 3(c), 6(f), 6(g), 7 and 8 inclusive, provided that, in the event an outstanding Option under this Sub-Plan is exercisable but remains unexercised through the end of the term of such Option (determined in accordance with the Plan), (i) such Option shall be treated as having lapsed for purposes of this Sub-Plan and (ii) the automatic settlement provisions of Section 6(f) of the Plan shall apply to such Option, as applicable, with any shares of Stock deliverable under such Section 6(f) subject to applicable tax withholding in accordance with the Plan. For the avoidance of doubt this Sub-Plan shall only apply to Stock Options; and

(d) Section 13(j)(i), unless the terms of such policy are established at the time the Option under this Sub-Plan is granted.

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
Scott Goldenberg, Authorised Signatory

19 September 2022
Date

The TJX Companies, Inc.
Executive Severance and Change of Control Plan
effective September 19, 2022

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, and/or in connection with and following a Change of Control of the Company, to eligible Participants, and to obtain or continue in force for the Employer's benefit certain binding commitments by such Participants, as set forth in more detail below.

   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, and any benefits provided or coverage continued under another Employer plan or program will be subject to the terms of such plan or program, as amended and in effect from time to time. For the further avoidance of doubt, nothing in the Plan 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 complete 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 an unfunded "top hat" plan that is described in 29 C.F.R. § 2520.104-24 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, the Administrator shall have the discretionary 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, including but not limited to questions regarding eligibility for or the extent of Severance Benefits; 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 the Plan to any determination or other action by the Administrator shall mean the Administrator acting in its absolute discretion. Any determination by the Administrator shall be conclusive and binding on all persons.

4. General Release; Separation Agreement; Notice of Resignation or Retirement.

   a. Any obligation of the Employer to provide Severance Benefits (except for such amounts that are accrued and vested prior to the Date of Termination, as determined by the Administrator), and any vesting or settlement of compensation or benefits in connection with the Participant's termination of employment for any reason (as determined by the Administrator), are expressly conditioned on the Participant's execution and delivery to the Company of an effective general release of claims (in a form satisfactory to the Administrator) as to which all applicable rights of revocation shall have expired prior to the sixtieth (60th) calendar day following the Date of Termination.

   b. In addition, as a precondition to the payment of any Severance Benefits (except for such amounts that are accrued and vested prior to the Date of Termination, as determined by the Administrator), the Participant (or, in the event of the Participant's death, the legal representatives of the Participant's estate) shall be required to execute, and not revoke, a separation agreement or similar agreement confirming the terms and conditions of such Severance Benefits, including, without limitation, any applicable restrictive covenants, in such form as the Administrator may determine.

   c. A Participant may resign or retire from employment with the Employer by providing no less than four (4) weeks' written notice to the Company of the Participant's decision to resign or retire. Any such notice must be mailed to the Company at 770 Cochituate Road, Framingham, Massachusetts 01701, Attention: Chair of the Compensation Committee, or other such address as the Company may designate to the Participant, with a copy to: TJX General Counsel at the same address. The Company may waive the requirement of prior notice at its discretion, in whole or in part, without any further obligation to the Participant.

5. Termination Benefits.

   a. *Voluntary termination of employment.* In the event of a Participant's retirement or other voluntary termination of employment, the Participant will be eligible to receive the following benefits, in each case in accordance with and subject to the terms of the applicable arrangement and further subject, for the avoidance of doubt and as applicable, to the provisions of the Plan (including, without limitation, Section 4) and to the Participant's full and continuing compliance with his or her obligations under the Obligations Agreement: (i) earned but unpaid Base Salary and accrued but unpaid vacation pay, in each case as of the Date of Termination; (ii) earned but unpaid amounts under MIP and LRPIP for performance periods that closed prior to the Date of Termination, and any LRPIP amounts to which the Participant may be entitled in connection with a Special Service Retirement (as defined in the Stock Incentive Plan); (iii) any benefits under any outstanding awards under the Stock Incentive Plan, in accordance with and subject to award and plan terms, including any benefits in connection with a Special Service Retirement (as defined in the Stock Incentive Plan); and (iv) any vested benefits under the Company's deferred compensation plans, including ESP and SERP (if the Participant is eligible), and under tax-qualified retirement and savings plans for Company employees, to the extent applicable. A Participant will not otherwise be entitled to continue participation in any employee benefit or fringe benefit plan following such a termination, except as expressly provided above or as required by law, and a Participant will not be eligible for group health plan coverage continuation, except under COBRA or as required by law. No Severance Benefits, or other compensation or benefits from the Employer, shall be paid upon retirement or other termination of employment.

b. *Termination for Cause.* In the event of a termination by the Employer of the Participant's employment for Cause, the Participant shall not be entitled to any Severance Benefits or any other compensation or benefits from the Employer, other than (i) earned but unpaid Base Salary and accrued but unpaid vacation pay, in each case as of the Date of Termination; (ii) any vested benefits under any outstanding awards under the Stock Incentive Plan; and (iii) any vested benefits under the Company's deferred compensation plans, including ESP and SERP (if the Participant is eligible), and under tax-qualified retirement and savings plans for Company employees, to the extent applicable, in each case in accordance with and subject to the terms (including, without limitation, any forfeiture terms) of the applicable arrangement and further subject, for the avoidance of doubt and as applicable, to the provisions of the Plan (including, without limitation, Section 4) and to the Participant's full and continuing compliance with his or her obligations under the Obligations Agreement. In addition and notwithstanding anything to the contrary in the Plan or the terms of the applicable plan, program or arrangement, if the Employer should terminate a Participant's employment for Cause, but not on a basis that includes a breach described in clause (vi) of the definition of Cause, the Participant will retain the right to receive any vested benefit, if any, under the SERP; any vested Employer Credit Account (as such term is defined in the ESP) under the ESP; and any then-vested stock options under the Stock Incentive Plan, in each case determined in accordance with the applicable plan, program or arrangement but disregarding any provision under such plan, program or arrangement that would provide for forfeiture upon a termination for cause (collectively, "Specified Accrued Benefits"); provided, for the avoidance of doubt, that the Participant's right to receive or retain Specified Accrued Benefits following a termination of employment for any reason is conditioned upon full and continuing compliance with his or her obligations under the Obligations Agreement (and under Section 8 of the Plan, if applicable), and that if the Employer should terminate the Participant's employment for Cause on a basis that included a breach described in clause (vi) of the definition of Cause, the Participant will not be entitled to receive or retain any Specified Accrued Benefits. The Company does not waive any rights it may have for damages or for injunctive relief or any rights it may have with respect to the forfeiture or recovery of compensation under the Obligations Agreement (and under Section 8 of the Plan, if applicable), or otherwise under applicable Employer policies or applicable law.

6. Severance and Change of Control Benefits.

a. *Qualifying Termination*. In the event of a Participant's Qualifying Termination that is not a CoC Qualifying Termination, the Participant (or, in the event of his or her death, his or her estate) shall be eligible for the Severance Benefits set forth on the Appendix C schedule applicable to the Participant, subject in all cases to the terms of the Plan, including, without limitation, Section 4 and Section 8.

b. *Change of Control*. Upon the occurrence of a Change of Control during the Participant's Employment Period:

i. Outstanding equity awards granted by the Company, if any, and held by the Participant shall be treated in accordance with and subject to award and plan terms.
ii. The agreements by the Participant not to compete with the Employer following termination of employment, under the terms of the Participant's Obligations Agreement and Section 8 of the Plan, shall no longer be effective following a Change of Control.
iii. The Company shall pay reasonable legal fees incurred by the Participant in asserting that the termination of his or her employment was a CoC Qualifying Termination or in obtaining any right or benefit to which the Participant is entitled under the Plan following a Change of Control. The Participant is entitled to interest (reasonably determined by the Company) on amounts payable under the Plan that are not paid when due.
iv. Payments described under Sections 6(b) and (c) of the Plan are made without regard to Sections 280G or 4999 of the Code, except that if the Participant's total after-tax payments would be increased by a reduction of payments or benefits under the Appendix D schedule applicable to the Participant and/or under Sections 6(b) and (c) of the Plan, or by the adjustment to the vesting of any equity-based or other awards that would otherwise accelerate in connection with the Change of Control or a termination of employment in connection with the Change of Control, such reduction and/or adjustment shall be made to the extent necessary to maximize the Participant's total after-tax payments. After-tax payments shall be determined after reduction for U.S. federal taxes, including the excise tax under Section 4999 of the Code. Any required reduction or adjustment shall be applied in the following order: Severance Benefits payable in cash, vesting of any equity-based awards, and any other payments or benefits. The Company shall engage PricewaterhouseCoopers LLP (or other firm designated by the Committee) to make the calculations described in this section. Overpayments or underpayments, as determined by the accounting firm, shall be paid to the Participant or refunded to the Employer, with interest (determined under Section 280G of the Code), within 30 days of the determination.
v. During the Protection Period, the Employer may terminate the Participant's employment for Cause only after 30 days' notice of termination to the Participant, and only if a majority of the members of the Board find that the Participant was guilty of conduct that constitutes "Cause." The Participant and his or her counsel shall be given reasonable notice and an opportunity to be heard at a meeting of the Board before it makes any such finding. While the determination is pending, the Employer may suspend the Participant and cease payment of Base Salary (consistent with Section 409A requirements or exemptions). If not guilty of conduct that constitutes "Cause" (as determined by a majority of the members of the Board), the Participant will be reinstated and paid any unpaid Base Salary with interest (as reasonably determined by the Company).

c. *CoC Qualifying Termination*. In the event of a CoC Qualifying Termination, in addition to the terms described in Section 6(b) above, the Participant (or, in the event of his or her death, his or her estate) shall be entitled to the Severance Benefits set forth on the Appendix D schedule applicable to the Participant, subject in all cases to the terms of the Plan.

7. Payment of Severance Benefits. The Administrator will determine the time and manner of payment of all Severance Benefits, subject, in all events, to the tax withholding and other payment provisions incorporated into the Plan by Section 10(e). If a Participant dies before receiving all Severance Benefits to which he or she remained entitled at death, subject to the terms of the applicable plan or arrangement, the Employer will pay the remainder of such Severance Benefits to the deceased Participant's estate.
8. Restrictive covenants applicable to Severance Benefits.

(a) *Restrictions under Obligations Agreement*. The Participant's receipt and retention of any Contingent Benefits is expressly conditioned upon the Participant's full and continuing compliance with each of the restrictions set forth in the Participant's Obligations Agreement, including, without limitation, restrictions related to confidentiality, Employer property, goodwill, non-competition (if applicable), non-solicitation, non-disparagement, and related terms and conditions. For the avoidance of doubt, the terms of the Participant's Obligations Agreement shall apply in addition to the terms of this Section 8.

(b) *Noncompetition*. During the Employment Period and, following a termination of employment from the Company or the Employer in which the Participant is entitled to any Severance Benefits hereunder (except as provided in Section 6(b)(ii) above), for the duration of the Noncompetition Period (including any extended Noncompetition Period in accordance with the Appendix C schedule applicable to the Participant), the Participant will not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or undertake any planning for any business competitive with the Company. Specifically, but without limiting the foregoing, during the Noncompetition Period, the Participant agrees (i) not to engage in any manner in any activity that is directly or indirectly competitive or potentially competitive with the business of the Company as conducted or under consideration at any time during the Participant's employment in any geographic area in which (A) during the portion of the Noncompetition Period in which the Participant is employed, the Company does business or is actively planning to do business and (B) during the portion of the Noncompetition Period that follows the termination of the Participant's employment, the Company was doing business or was actively planning to do business as of the Date of Termination, and (ii) not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any person who is engaged in any business that is competitive with any business of the Company for which the Participant has provided services or with respect to which the Participant possesses Confidential Information that could assist in such competition, as conducted or in planning during the Participant's employment. The Participant understands that the foregoing shall not prevent his or her passive ownership of one percent (1%) or less of the equity securities of any publicly traded company.

(c) *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 any Contingent Benefits shall immediately 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, any Contingent Benefits theretofore paid to or received by the Participant.

(d) *Notice and information requirements*. In order to ensure the Participant's compliance with the terms hereof during the Noncompetition 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 four (4) weeks prior to beginning such job or activity. Such notice shall state the name and address of any new employer and the nature of the Participant's position or business activity. 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 of the Plan. All notices to the Administrator shall be sent via overnight delivery to The TJX Companies, Inc., 770 Cochituate Road, Framingham, MA 01701, Attention: General Counsel, and by email to lawyer@tjx.com, or to such other address as may be designated by an expressly authorized officer of The TJX Companies, Inc. The Participant agrees to notify his or her new employer(s) of his or her obligations under the Plan, and hereby consents to notification by the Company to his or her new employer(s) concerning the obligations under the Plan.

(e) *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 customer good will, confidential information and other legitimate business interests of the Employer, that each and every one of those restraints is reasonable in respect to subject matter, length of time, range of activities 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 Employer 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 obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and will additionally be entitled to an award of attorney's fees incurred in connection with securing any relief 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, so that the Company may enjoy the full benefit of the agreed-upon temporal protections recited herein, agrees that the periods of restrictions set forth in Section 8(b) of the Plan 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 and that, if the Participant violates any fiduciary duty to the Company or unlawfully takes any Confidential Information, trade secrets or other property belonging to the Company, the Noncompetition Period will extend by the time during which the Participant engages in such violation(s), for up to a total of two (2) years following his or her termination date.

(f) *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.

(g) *Binding effect; successors and assigns*. The Participant expressly consents to be bound by the provisions of the Plan for the benefit of the Employer, and any successor or permitted assign to whose employ the Participant may be transferred, without the necessity that any 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 this Section 8.

(h) *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 Employer 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, in its sole discretion, 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, upon or following a Change of Control during a Participant's Employment Period, no such action shall materially and adversely impair the rights hereunder of the Participant, without his or her express written consent. The amendment power reserved to the Committee in the immediately preceding sentence with respect to the period prior to a Change of Control shall include, but not be limited to, the power to change or eliminate a Participant's right to receive benefits under the Plan; *provided,* that, the benefits payable under the Plan to a Participant who has incurred a Qualifying Termination, and has entered into an effective general release and a separation agreement as described in Section 4, shall not be materially and adversely impaired by such amendment without the Participant's 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 employment rights on any Eligible Employee. 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, with or without Cause, and regardless of whether any Severance Benefits are payable under the Plan.

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*. All claims for benefits under the Plan shall be made in accordance with procedures prescribed by the Administrator with respect to the Plan under Section 503 of ERISA. In the event that there is any remaining claim or dispute arising out of or relating to the Plan following the exhaustion of the Plan's claims procedures, then such claim or dispute shall (except as otherwise provided in Section 8(e)) 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 (the "Rules") by an arbitrator mutually agreed upon by the Participant and the Company or, in the absence of such agreement, by an arbitrator selected according to the Rules. Notwithstanding the foregoing, if either the Company or the 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 the Rules. In reviewing a decision of the Administrator, the parties agree that the arbitrator(s) shall apply the same standard of review and deference as would be applied by a federal court reviewing such a decision. Judgment upon any award rendered by such arbitrator(s) shall be entered in any court having jurisdiction thereof upon the application of either party.

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; (ii) not commence any suit, action or other proceeding arising out of or based upon the Plan, 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 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. "Base Salary": As to any Participant, his or her base annual wages, as in effect from time to time.

c. "Board": The board of directors of the Company.

d. "Cause": As to any Participant, for purposes of the Plan and notwithstanding any other agreement between the Employer and the Participant or any other Employer plan or program containing a definition of "cause" or similar provision (however formulated), the occurrence of any of the following, as determined by the Company in its reasonable judgment: (i) material and willful dishonesty (such as, but not limited to, fraud, embezzlement, misappropriation, theft, or bribery) by the Participant in the performance of his or her duties to the Employer; (ii) conviction of a felony (other than a conviction arising solely under a statutory provision imposing criminal liability upon the Participant on a per se basis due to the Employer offices held by the Participant, so long as any act or omission of the Participant with respect to such matter was not taken or omitted in contravention of any applicable written policy or directive of the Board or the Participant's direct supervisor); (iii) willful neglect of the Participant's material duties (other than as a result of Disability), which neglect is not cured by the Participant after having been given at least thirty (30) days' written notice by the Employer that apprises the Participant of the nature of the neglect to be cured, or which neglect, if previously cured, recurs; (iv) material conflict of interest in violation of a written policy or policies of the Employer which continues for sixty (60) days after the Employer gives written notice to the Participant that apprises the Participant of the nature of the conflict and requests the cessation of such conflict; (v) willful misconduct that is a violation of a written policy or policies of the Employer (such as, but not limited to, a written policy or policies regarding substance abuse, harassment, or workplace violence) and which is materially harmful to the reputation or business of the Company; or (vi) a breach of the Participant's obligations under the Obligations Agreement or under Section 8 of the Plan.

   For purposes of this definition of Cause, no act or failure to act on the part of a Participant, shall be considered "willful" unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant's action or omission was in the best interests of the Company. The Company must act reasonably and in good faith with respect to any termination for Cause. Any determination by the Company of the occurrence of Cause must be based on an appropriate investigation. A termination of employment for Cause shall not take effect unless the Participant is given written notice by the Company of such termination and the notice specifically identifies the basis for such termination. Notwithstanding any other provision of the Plan, if grounds for a termination for Cause existed in connection with any termination of employment for any reason occurring outside of the Protection Period, the Company, subject to the foregoing provisions of this definition of Cause, may elect to treat such termination as a termination for Cause in which case the Participant will not be entitled to receive or retain any Severance Benefits under the Plan, other than, for the avoidance of doubt, any Specified Accrued

Benefits or other amounts to which the Participant would remain entitled in accordance with and subject to Section 5(b) of the Plan.

e. "Change of Control": As to any Participant, a "change of control" of the Company as defined in the Company's Stock Incentive Plan or any successor plan.

f. "CoC Qualifying Termination": As to any Participant, a termination of the Participant's employment during the Protection Period for any of the following reasons: (i) by the Company without Cause; (ii) by the Participant for Good Reason; or (iii) by reason of death or Disability.

g. "Code": The U.S. Internal Revenue Code of 1986, as from time to time amended and in effect, or any successor statute as from time to time in effect.

h. "Committee": The Executive Compensation Committee of the Board (or any successor committee).

i. "Company": The TJX Companies, Inc.

j. "Confidential Information": Any and all information of the Company, whether or not in writing, that is not generally known by others with whom the Company competes or does business, or with whom it plans to compete or do business, and any and all information, which, if disclosed, would assist in competition against the Company, including but not limited to: (a) all proprietary information, including but not limited to computer software (including operating systems, applications and program listings), databases, technical data, business and/or marketing plans and arrangements, processes, know-how, information regarding any aspect of intellectual property, and other information concerning the products and services of the Company; (b) development, research, market research, testing, marketing and financial activities and strategic plans, including without limitation information regarding any existing or proposed acquisition, strategic alliance or joint venture; (c) the manner in which the Company's business operates, including but not limited to accounting and business methods, and the Company's plans for the future, including but not limited to plans for its store brands, products, geographic markets, advertising and promotion; (d) information concerning the Company associates, including but not limited to the methods through which the Company identifies, hires, trains and compensates its associates, and associate compensation (other than the Participant's own compensation), contact information, performance and conduct; (e) information concerning the Company vendors and suppliers, including but not limited to the identity and special needs of such vendors and suppliers, the individuals at such vendors and suppliers with whom the Company has dealt and individual contact information, past purchases from such vendors and suppliers (including the amounts and types of goods purchased and the amount, timing and method of payment), plans or negotiations for future purchases, and methods of locating and qualifying vendors and suppliers; (f) the identity and special needs of customers, prospective customers and subcontractors; and (g) information concerning other business partners of the Company and other people and organizations with whom the Company has or has had business relationships and the substance of those relationships.

k. “Contingent Benefits”: In the case of any Participant: (i) any Special Compensation as defined in the Obligations Agreement (whether or not accrued and vested prior to the Date of Termination); and (ii) any Severance Benefits under the Plan not described in clause (i), excluding such amounts that are accrued and vested prior to the Date of Termination, in each case as determined by the Administrator.

l. “Date of Termination”: The date of termination of a Participant’s employment with the Employer.

m. “Effective Date”: September 19, 2022

n. “Eligible Employee”: Except as otherwise determined by the Administrator, an individual (i) who is employed by the Employer as a U.S.-based executive officer of the Company or other U.S.-based executive at or above the division president job level and (ii) whose participation in the Plan is approved by the Committee.

o. “Employment Period”: In the case of any Participant, the period during which the Participant is employed by the Employer.

p. “Employer”: The Company and its Subsidiaries, or any of them, as the context requires.

q. “ERISA”: The Employee Retirement Income Security Act of 1974, as amended.

r. “ESP”: The Company’s Executive Savings Plan, as it may be amended and including any successor.

s. “Good Reason”: As to any Participant, a voluntary resignation by such Participant within 120 days after the first occurrence (without the Participant’s written consent) of any of the following events, provided that the Participant gave the Company notice of the event within 60 days of its first occurrence and the situation remained un-remedied after 30 days following the receipt by the Company of such notice:

- Assignment by the Employer of duties inconsistent with (or other Employer action resulting in a diminishment in) positions, duties, responsibilities, and status with the Employer immediately prior to the Change of Control, or removal of the Participant from or failure to re-elect the Participant to such positions (excluding a termination by the Employer for Cause or by the Participant without Good Reason);
- Any reduction in the rate of the Participant’s base salary for a fiscal year (as compared to the rate of base salary paid in the completed fiscal year immediately preceding the Change of Control);
- Any reduction in total cash compensation opportunities for a fiscal year, including salary and incentives (as compared to the opportunities available in the completed fiscal year immediately preceding the Change of Control);
- Failure by the Employer to continue any benefits or perquisites, or any pension, life insurance, medical insurance or disability plan in which the Participant was participating immediately prior to the Change of Control, unless the Employer provides substantially similar benefits to the Participant under another plan or plans;

- Any Employer action that would adversely affect the Participant's participation in or materially reduce the Participant's benefits under any plans referenced in the prior bullet or deprive the Participant of any material fringe benefit enjoyed by the Participant immediately prior to the Change of Control;
- A termination for Cause during a Protection Period that does not comply with the special rules described in such definition;
- The Participant's relocation of more than 40 miles from his or her business location at the time of the Change of Control; or
- The Employer breaches any provision of the Plan or of any offer letter agreement then in effect between the Participant and the Employer.

t. "LRPIP": The Company's Long Range Performance Incentive Plan, as amended from time to time, including any successor.

u. "MIP": The Company's Management Incentive Plan, as amended from time to time, including any successor.

v. "Noncompetition Period": The twelve (12)-month period following the Date of Termination or such longer period specified by the Administrator in accordance with the Appendix C schedule applicable to the Participant.

w. "Obligations Agreement": The Obligations Agreement entered into between the Participant and the Company.

x. "Participant": An Eligible Employee from and after the date he or she has commenced employment with the Employer.

y. "Plan": The TJX Companies, Inc. Executive Severance and Change of Control Plan as set forth herein, as the same may be amended and in effect from time to time in accordance with the terms hereof.

z. "Protection Period": The period commencing on the date of a Change of Control and continuing for 24 calendar months, until close of business on the last business day of the 24th calendar month.

aa. "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, or (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 his or her business location (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)). For purposes of the Plan, the term "Disability" shall have the meaning set forth in the Employer's long term disability plan.

bb. “Release”: The form of general release, as determined by the Administrator, to be executed by a Participant in accordance with Section 4 of the Plan.

cc. “SERP”: The Company’s Supplemental Executive Retirement Plan, as it may be amended and including any successor.

dd. “Severance Benefits”: The benefits payable to or in respect of a Participant upon a Qualifying Termination or a CoC Qualifying Termination, in each case as specified in Section 6 of the Plan and any applicable schedule to 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 the terms of the Plan, including, without limitation, Section 4 and Section 8 of the Plan.

ee. “Stock Incentive Plan”: The Company’s Stock Incentive Plan, as amended from time to time, including any successor.

ff. “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.

<u>APPENDIX B</u>

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 Code 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 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. 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 to the contrary:

(a) *"Separation from service" required.* All references in the Plan 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 the 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 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 to any applicable limitations therein) shall be deemed part of the Plan.

(d) *Change of Control Payments*. Any right to payments in connection with a CoC Qualifying Termination under Appendix D of the Plan assume that the Change of Control is a "change in control event" (within the meaning of Section 409A) and that the termination occurs within two years after the Change of Control. If the Change of Control is not a "change in control event" (within the meaning of Section 409A) or if the CoC Qualifying Termination occurs more than two years after the Change of Control, to the extent required to avoid adverse tax consequences under Section 409A (as determined by the Administrator), payments upon a CoC Qualifying Termination shall be paid, to the extent applicable, in the same manner as they would have been paid in the case of a Qualifying Termination.

(e) *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, such Deferred Compensation shall be paid or commence, if at all, within a designated period of not more than 90 days following the Severance Event (or other permissible payment event within the meaning of Section 409A); provided that, if such designated period 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.

APPENDIX C
Schedule 1 – TJX Executive Officers

Severance Benefits following a Qualifying Termination

This Schedule constitutes part of the TJX Executive Severance and Change of Control Plan effective September 19, 2022 and is subject to the terms and conditions set forth therein, including, without limitation, Section 4 and Section 8 thereof.

Base Salary:	Earned but unpaid Base Salary through the Date of Termination.
Vacation pay:	Accrued but unpaid vacation pay as of the Date of Termination.
Salary Continuation Period:	The period of at least 12 and up to 24 months following the Date of Termination, as specified by the Administrator by notice to the Participant in connection with a Qualifying Termination.
Noncompetition Period:	The period of at least 12 and up to 24 months following the Date of Termination that is consistent with the Salary Continuation Period specified by the Administrator, as described above.
Salary Continuation:	Continues during the Salary Continuation Period described above, based on salary rate in effect at termination. Rate is reduced by any long-term disability benefits. Paid in accordance with regular payroll practices for Company executives (but not less frequently than monthly).
Additional cash payment:	A cash amount equal to the cost of COBRA continuation coverage, on an after-tax basis, during the Coverage Period, as determined by the Administrator. The “Coverage Period” begins with the commencement of COBRA continuation coverage and ends at the earliest of (i) the end of the Salary Continuation Period or (ii) termination of COBRA continuation coverage. Paid at the same time and in the same manner as Salary Continuation.
Automobile allowance:	If applicable, continues during the Salary Continuation Period. Paid at the same time and in the same manner as Salary Continuation.
Earned MIP and LRPIP:	Earned but unpaid amounts under MIP and LRPIP for performance periods that closed prior to the Date of Termination, and any LRPIP amounts to which the Participant is entitled in connection with Special Service Retirement (as defined in the Stock Incentive Plan), in accordance with and subject to applicable plan rules.
MIP for open fiscal year:	An amount based on MIP performance for open fiscal year (as if the Participant had continued in office through the end of the fiscal year), prorated between 50% and 100% based on number of days completed during the fiscal year as of the Date of Termination. If termination is due to death or Disability, the amount shall instead be based on the MIP target award most recently granted to the Participant without proration. Paid at the same time other MIP awards are paid for the fiscal year (but not later than the 15th day of the third month following the close of the fiscal year).
Prorated LRPIP for open cycles:	An amount based on LRPIP performance for open cycles, prorated based on full months completed during the cycle as of the Date of Termination. Paid at the same time as other LRPIP awards are paid for the cycle (but not later than the 15th day of the third month following the close of the last fiscal year in the cycle).
Stock Incentive Plan awards:	Treated in accordance with and subject to award and plan terms, including any benefits in connection with Special Service Retirement (as defined in the Stock Incentive Plan).
Deferred compensation plans:	Vested benefits, if any, provided in accordance with and subject to plan terms. Includes ESP and SERP (if Participant is eligible), and tax-qualified retirement and savings plans for Company employees, to the extent applicable.

Long-term disability benefits:	If applicable, provided under the long-term disability plan of the Company in accordance with and subject to plan terms.
Other benefits:	Not entitled to continue participation in any employee benefit or fringe benefit plan, except as expressly provided above or as required by law.

APPENDIX D
Schedule
Severance Benefits following a CoC Qualifying Termination

This Schedule constitutes part of the TJX Executive Severance and Change of Control Plan effective September 19, 2022 and is subject to the terms and conditions set forth therein.

Base Salary:	Earned but unpaid Base Salary through the Date of Termination.
Vacation pay:	Accrued but unpaid vacation pay as of the Date of Termination.
Cash severance:	An amount equal to: • Two times Base Salary, plus • Two times the target award opportunity most recently granted to the Participant prior to the Change of Control under MIP, plus • For any MIP performance period that begins before and ends after the Date of Termination, an amount based on the target award opportunity under MIP for such fiscal year, prorated between 50% and 100% based on number of days completed during the fiscal year as of the Date of Termination, plus • For each LRPIP cycle that begins before and ends after the Date of Termination, an amount based on the target award opportunity under LRPIP for such cycle, plus • If applicable, an amount equal to two years' of auto allowance at the rate in effect prior to the Change of Control. Base Salary (and target MIP, if expressed as a percentage of Base Salary) is determined by reference to the Base Salary rate in effect immediately prior to the Date of Termination or the Change of Control, whichever is higher. Base Salary rate is reduced by any long-term disability benefits. Paid in a lump sum within 30 days following termination, unless subject to the six-month delay described in Appendix B.
Life and medical Insurance:	Two years of continued life and medical insurance coverage for the Participant and his or her family under Employer plans in which the Participant was entitled to participate immediately prior to the Change of Control, subject to plan terms. If the Participant is ineligible for continued coverage, or otherwise at the discretion of the Company, the Employer shall provide for an alternative arrangement (such as a cash payment) in lieu of continued coverage. No continued life or medical coverage is provided to the extent of any similar coverage or benefits provided by another employer.
Earned MIP and LRPIP:	Earned but unpaid amounts under MIP and LRPIP for performance periods that closed prior to the Date of Termination, in accordance with and subject to with applicable plan rules.
Stock Incentive Plan awards:	If applicable, treated in accordance with and subject to award and plan terms.
Deferred compensation plans:	Vested benefits, if any, provided in accordance with and subject to plan terms. Includes ESP and SERP (if Participant is eligible), and tax-qualified retirement and savings plans for Company employees, to the extent applicable.
Long-term disability benefits:	If applicable, provided under the long-term disability plan of the Employer in accordance with and subject to plan terms.
Payment adjustment:	Payments under this Schedule are subject to reduction to maximize Participant's total after-tax payments, as described in Section 6(b)(iv) of the Plan.

OFFER LETTER AGREEMENT

November 14, 2022

John Klinger
The TJX Companies, Inc.
770 Cochituate Road
Framingham, MA 01701

Dear Mr. Klinger:

Congratulations on your promotion! On behalf of The TJX Companies, Inc. (TJX or the Company), I am pleased to confirm your promotion to the position of EVP, Chief Financial Officer, effective on Sunday, January 29, 2023. This offer letter agreement sets forth certain terms and conditions in connection with your promotion, as approved by the Compensation Committee of the TJX Board of Directors (the Committee).

Compensation

Base Salary

Your base salary, effective as of January 29, 2023, will be increased to $750,000 per year. This salary level includes your 2023 merit award.

Management Incentive Plan (MIP)

Your outstanding awards under MIP will continue under existing terms, and you will continue to be eligible to participate in MIP at a level commensurate with your position and responsibilities and subject to terms established by the Committee. Effective as of January 29, 2023, your MIP target award opportunity will be 65% of actual base salary earned during the fiscal year. MIP payouts are calculated based on actual base salary earned during the fiscal year while in an eligible position and are based on actual performance results measured against applicable business performance goals for the fiscal year. Any payout is typically made in March or April following the close of the fiscal year and is subject to plan terms. In accordance with and subject to the provisions of MIP, you must remain actively employed by the Company through the end of the fiscal year and in good standing to be eligible for payment of the MIP award for such fiscal year. The Committee reserves the right to change the target award opportunity of your future awards under MIP.

Long Range Performance Incentive Plan (LRPIP)

Your outstanding awards under LRPIP will continue under existing terms, and you will continue to be eligible to participate in LRPIP at a level commensurate with your position and responsibilities and subject to terms established by the Committee. Effective for the FY24-26 LRPIP cycle, your LRPIP target award opportunity will be $300,000. LRPIP payouts are based on actual performance results measured against applicable business performance goals for the award period. Any payout is typically made in March or April following the close of the three-year award period and is subject to plan terms. In accordance with and subject to the provisions of LRPIP, you must remain actively employed by the Company through the last day of the three-year cycle and in good standing to be eligible for payment of the LRPIP award for such cycle. The Committee reserves the right to change the target award opportunity of your future awards under LRPIP.

Stock Incentive Plan (SIP)

Your outstanding awards under the SIP will continue under existing terms, and you will continue to be eligible for awards under the SIP at a level commensurate with your position and responsibilities and subject to terms established by the Committee in accordance with the SIP. Under the current stock award program, the target total value of your stock awards may be granted as a combination of performance share units (PSUs) and restricted stock units (RSUs), as determined by the Committee. In connection with your promotion, effective for the next stock award grant, which is anticipated to be in March 2023, the target total value of your stock awards will be $1,500,000. All grants are subject to the approval of the Committee, and the Committee reserves the right to grant PSUs, RSUs, and/or other forms of equity awards, and to change the target total value of your future awards under the SIP, in its sole discretion. Award details will be communicated to you separately at the time of the next grant.

Because you will be in a SIP award-eligible position, you will continue to be designated as a “Restricted Associate” under the TJX Global Insider Trading Policy, which will limit your ability to trade TJX stock.

Car Allowance

You will continue to be eligible for an automobile allowance commensurate with your position and responsibilities, in accordance with and subject to the terms of the Company’s automobile program.

<u>Benefits</u>

Retirement/Savings Plans

You will continue to be eligible to participate in the Executive Savings Plan (at a level commensurate with your position), the Supplemental Executive Retirement Plan (Category C Benefits only), as well as the tax-qualified retirement and savings plans maintained for the benefit of Company employees, in each case in accordance with and subject to applicable plan terms.

Expatriate Benefits

You will continue to be eligible for any remaining tax equalization or other benefits payable or to be provided by reason of your prior assignment in the UK, in each case in accordance with and subject to the terms of applicable Company policies, as the same may be in effect from time to time. For the avoidance of doubt, the Company reserves the right to determine, in its sole discretion, the extent to which you will be entitled to any such tax equalization or other UK assignment-related benefits upon or following the termination of your employment for any reason, including following a change of control of TJX.

Other Benefits

You will continue to be eligible for TJX benefits subject to and in accordance with plan terms. Please contact HR XPRESS at 1-888-627-6299 for more details about any TJX benefits. Additional information on total rewards programs can be found on the Total Rewards portal. Please log onto **youandtjx.com** to view your personalized information about compensation, health, life and disability benefits, retirement programs, and work/life programs.

Obligations Agreement

This promotion is conditioned on your entering into the attached restrictive covenant agreement (the Obligations Agreement) no later than the time specified by the Company.

Severance and Change of Control Plan

You will be eligible to participate in the TJX Executive Severance and Change of Control Plan effective September 19, 2022 (the Severance Plan) at a level commensurate with your position and responsibilities. The Severance Plan contains terms that will apply in connection with the termination of your employment with the Company for any reason. By signing this offer letter agreement, you agree to all of the terms and conditions set forth in the Severance Plan, a copy of which is attached.

Other

The information above reflects terms and conditions presently in effect for various TJX plans and programs, which may in the future be changed by the Company as it determines to be appropriate. Please note that all compensation and benefits are provided in accordance with and subject to the terms of the applicable TJX plan or program (including, for the avoidance of doubt and without limitation, the amendment and termination provisions thereof) and are subject to applicable tax and other withholdings.

In your new role, you will be reporting to me or such other person as specified from time to time by the Company. During your employment, you agree to perform such duties and assume such responsibilities as may be specified from time to time by the Company. You further agree to devote your full time and attention and your best efforts to the business and affairs of the Company and to your responsibilities as a TJX employee.

During your employment, you may participate in charitable, community or other activities or in trade or professional organizations, subject in each case to approval by the Board of Directors or its designee and provided such service or participation does not interfere with your duties hereunder. You may also make passive investments that involve no managerial duties or activities.

This offer letter agreement, together with the Obligations Agreement and Severance Plan, sets forth the entire agreement between you and TJX, and supersedes all prior and contemporaneous communications, agreements, and understandings, written or oral, with respect to the subject matter hereof, including, without limitation, the Obligations Agreement between you and TJX dated April 10, 2019.

[Rest of page intentionally left blank]

Please indicate your agreement with the terms of this letter by signing and returning it to the Company.

We wish you every success in your new position!

Sincerely,

/s/ Scott Goldenberg

Scott Goldenberg
SEVP, Chief Financial Officer

Acknowledged and agreed:

/s/ John Klinger 11/14/2022
John Klinger Date

OBLIGATIONS AGREEMENT

This Agreement is made and entered into by and between The TJX Companies, Inc., on its own behalf and on behalf of its subsidiaries and other affiliates (collectively, and together with their respective successors, assigns and nominees, "TJX"), and John Klinger ("I", "me" or "my").

1. Acknowledgements

I acknowledge the importance to TJX of protecting its confidential information and other legitimate business interests, including without limitation the valuable trade secrets and good will that it has developed or acquired. I acknowledge that TJX is engaged in a highly competitive business, that its success in the marketplace depends upon the preservation of its confidential information and industry reputation, and that TJX's practice of obtaining agreements such as this one from its employees is both known to me and reasonable. I am entering into this Agreement in consideration of my promotion to Executive Vice President, Chief Financial Officer, certain compensation and benefits described in my offer letter agreement with TJX (the "Offer Letter") in connection with such promotion (including, without limitation, increases in base compensation and target cash and equity incentive opportunities), my being granted access to the good will, trade secrets and other Confidential Information (as defined below) of TJX and specialized training and professional support, and for other good and valuable consideration to which I am not otherwise entitled, the receipt and sufficiency of which are hereby acknowledged.

2. Confidentiality, Company Property and Good Will

2.1 Nondisclosure and Nonuse of Confidential Information. All Confidential Information (as defined below), including but not limited to Confidential Information that I create or to which I have access or have had access as a result of my prior or continuing employment and other associations with TJX, is and shall remain the sole and exclusive property of TJX. Except as required for the proper performance of my assigned duties for TJX, as expressly authorized in writing in advance by TJX, or as required by applicable law, I will never, directly or indirectly, use or disclose any Confidential Information. This restriction shall apply during the term of my employment with TJX and will continue to apply after the termination of my employment for any reason. I will promptly notify TJX if I receive any subpoena or court order or become aware of any other legal process or requirement that requires me to disclose any Confidential Information, and will provide TJX a reasonable opportunity to seek protection of the Confidential Information prior to my making any such disclosure. I cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (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, I may be held liable if I unlawfully access trade secrets by unauthorized means. Nothing in this Agreement (i) limits, restricts or in any other way affects my 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 me to notify TJX about such communication.

2.2 Use and Return of Documents. All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of TJX and any copies thereof (the "Documents"), whether or not prepared by me, shall be the sole and exclusive property of TJX. Except as required for the proper performance of my assigned duties for TJX or as expressly authorized in writing in advance by TJX, I will not copy any Documents or remove any Documents, copies, excerpts or derivations thereof from the premises of TJX. I will safeguard, and return to TJX immediately upon termination of my employment, and at such other times as may be specified by TJX, all Documents and other property of TJX, and all documents, records and files of its customers, subcontractors, vendors and suppliers ("Third-Party Documents"), as well as all other property of such customers, subcontractors, vendors and suppliers, then in my possession or control. Upon request of any duly authorized officer of TJX, I will also disclose all passwords necessary to enable TJX to obtain, or that would assist TJX in obtaining, access to the Documents and Third-Party Documents. Notwithstanding any of the foregoing, I understand that documents showing my compensation or benefits (*e.g.*, pay stubs or benefit plan summaries) or the post-employment restrictions to which I am subject shall not be subject to the obligations contained in this Section 2.2.

2.3 Good Will. Any and all good will with any of the customers, prospective customers, consultants, vendors and other business counterparties of TJX, that I develop or that I have developed during my employment with TJX will be and has been the sole, exclusive and permanent property of TJX and shall continue to be such after the termination of my employment, regardless of the reason, if any, for such termination.

3. **Intellectual Property and Inventions**

3.1 Copyrightable Works. All copyrightable works that I create or that I have created (solely or jointly with others) within the scope of and during my employment with TJX, including without limitation computer software, programs or databases and any related documentation, shall be considered "works made for hire" as defined by 17 U.S.C. § 101 and upon creation, shall be and have been owned exclusively by TJX free and clear of all claims relating to my contribution.

3.2 Assignment of Rights. I will promptly disclose to TJX any Intellectual Property, as defined below, developed by me (solely or jointly with others). I hereby assign and agree in the future to assign to TJX (or as otherwise directed by TJX) my entire right, title and interest in and to all Intellectual Property. I further agree to waive all claims to moral rights I may have in any Intellectual Property. I agree to provide to TJX, at TJX's request, all further cooperation which TJX determines is necessary or desirable to accomplish the complete transfer of the Intellectual Property and all associated rights to TJX, and to assure TJX the full enjoyment of the Intellectual Property, including without limitation executing further applications (both domestic and foreign), specifications, oaths, assignments, consents, releases, government communications and other commercially reasonable documentation, responding to corporate diligence inquiries, and providing good faith testimony by affidavit, declaration, and/or deposition, in-person or by other proper means, in support of any effort by TJX to establish, perfect, defend, or otherwise enjoy, in this or any foreign country, its rights acquired pursuant to this Agreement through prosecution of governmental filings, regulatory proceedings, litigation or other means. The obligations set forth in this Section 3.2 will continue beyond termination of my employment with TJX for any reason with respect to Intellectual Property conceived, made, created, developed or reduced to practice during my employment with TJX.

To the extent I cannot now transfer and assign my entire right, title, and interest in and to the Intellectual Property, or any portion thereof, then I will assign and transfer to TJX at my first opportunity to do so all right, title, and interest in and to the Intellectual Property. To the extent that I cannot so assign and transfer any of my right, title, and interest in and to the Intellectual Property, then I hereby grant TJX an irrevocable, worldwide, fully paid-up, royalty-free, exclusive license, with the right to sublicense through multiple tiers, to make, use, sell, improve, reproduce, distribute, perform, display, transmit, manipulate in any manner, create derivative works based upon, and otherwise exploit or utilize in any manner the Intellectual Property.

4. **Non-Competition and Other Restricted Activity**

4.1 Non-Competition. During my employment and through the date that is twelve (12) months after the termination of my employment for any reason other than a layoff or other termination by TJX without Cause (such period, the "Non-Competition Period"), I will not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with TJX, or undertake any planning for any business competitive with TJX. Specifically, but without limiting the foregoing, during the Non-Competition Period I agree (a) not to engage in any manner in any activity that is directly or indirectly competitive or potentially competitive with the business of TJX as conducted or under consideration at any time during my employment in any geographic area in which (i) during the portion of the Non-Competition Period in which I am employed, TJX does business or is actively planning to do business and (ii) during the portion of the Non-Competition Period that follows the termination of my employment, TJX was doing business or was actively planning to do business as of the date of termination, and (b) not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person who is engaged in any business that is competitive with any business of TJX for which I have provided services or with respect to which I possess Confidential Information that could assist in such competition, as conducted or in planning during my employment. I understand that the foregoing shall not prevent my passive ownership of one percent (1%) or less of the equity securities of any publicly traded company.

4.2 Non-Solicitation of Employees and Other Providers. During my employment and through the date that is twenty-four (24) months after the termination of my employment for any reason, I will not, and will not directly or indirectly assist anyone else to, (a) hire or engage or solicit for hiring or engagement any employee of TJX or seek to persuade or induce any employee of TJX to discontinue employment with TJX, (b) hire or engage any independent contractor providing exclusive services to TJX, (c) solicit, encourage or induce any (i) independent contractor, business partner, vendor, supplier, or other Person providing products or services to TJX (each, a "Business Partner") or (ii) customer to terminate or diminish or otherwise harm its business relationship with TJX or (d) seek to persuade any Business Partner, or any prospective Business Partner, to conduct with anyone else any business or activity which such Person conducts or could reasonably be expected to conduct with TJX. For the purposes of this Agreement, an "employee" or "independent contractor" of TJX is any person who is or was such at any time within the then preceding twelve (12)-month period. The restrictions in Section 4.2(d) shall apply (x) only with respect to those Persons who are or have been a Business Partner of TJX at any time within the twelve (12)-month period immediately preceding the activity restricted by Sections 4.2(d) or whose business has been solicited on behalf of TJX by any of their officers, employees or agents within such twelve (12)-month period, other than by form letter, blanket mailing or published advertisement, and (y) only if I have performed work for or with such Person during my employment with TJX or if I have been introduced to, or otherwise had contact with, such Person as a result of my employment or other associations with TJX or have had access to Confidential Information which would assist in my solicitation of such Person.

4.3 Notice of New Address and Employment. During the restricted periods set forth in Section 4.1 and 4.2 above, I will notify TJX in writing of any change in my address and of each new job or other business activity in which I plan to engage at least four (4) weeks prior to beginning such job or activity. Such notice shall state the name and address of any new employer and the nature of my position or business activity. I will also provide TJX with any other pertinent information concerning any such business activity as TJX may reasonably request in order to determine my continued compliance with my obligations under this Agreement. All notices to TJX shall be sent via overnight delivery to The TJX Companies, Inc., 770 Cochituate Road, Framingham, MA 01701, Attention: General Counsel and by email to lawyer@tjx.com, or to such other address as may be designated by an expressly authorized officer of The TJX Companies, Inc. I agree to notify my new employer(s) of my obligations under this Agreement, and hereby consent to notification by TJX to my new employer(s) concerning my obligations under this Agreement.

4.4 Non-Disparagement. Subject to the last sentence of Section 2.1 above, I covenant and agree (for myself and for all others acting on my behalf) that at no time during my employment with TJX or thereafter (following the termination of my employment for any reason) will I directly or indirectly say or do anything that would disparage, reflect negatively on, or call into question TJX'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 TJX.

4.5 Acknowledgement of Reasonableness; Remedies. In signing this Agreement, I give TJX assurance that I have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on me under this Agreement. I agree without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the customer good will, Confidential Information and other legitimate business interests of TJX, that each and every one of those restraints is reasonable with respect to subject matter, length of time, range of activities and geographic area; and that these restraints will not prevent me from obtaining other suitable employment during the period in which I am bound by them. I agree that I will never assert, or permit to be asserted on my behalf, in any forum, any position contrary to the foregoing. I also acknowledge and agree that, were I to breach any of the provisions of this Agreement, the harm to TJX would be irreparable. I therefore agree that, in the event of such a breach or threatened breach, TJX shall, in addition to any other remedies available to it and notwithstanding any dispute resolution agreement that I may have with TJX, have the right to obtain preliminary and permanent injunctive relief against any such breach or threatened breach without having to post bond, and will additionally be entitled to an award of attorney's fees incurred in connection with securing any relief hereunder. I further agree that, in the event that any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. Finally, so that TJX may enjoy the full benefit of the agreed-upon temporal protections recited herein, I agree that the periods of restrictions set forth in Section 4.2 of this Agreement shall be tolled, and shall not run, during any period of time in which I am in violation of the terms thereof and that, if I violate any fiduciary duty to TJX or unlawfully take any Confidential Information, trade secrets or other property belonging to TJX, the Non-Competition Period will extend by the time during which I engage in such violation(s), for up to a total of two (2) years following my termination date.

4.6 Effect of Breach. I acknowledge and agree that my receipt and retention of stock awards (including performance share units and restricted stock units) under the TJX Stock Incentive Plan ("SIP"), amounts under the TJX Long Range Performance Incentive Plan in connection with any Special Service Retirement (as defined in the SIP), deferred compensation amounts under the TJX Executive Savings Plan and the TJX Supplemental Executive Retirement Plan (as applicable), and any applicable severance payments or benefits as provided for under the Severance Plan will be expressly conditioned on my full and continuing compliance with the terms of this Agreement, and that my receipt and retention of other future short- or long-term incentive compensation or equity-based awards, severance or other benefits (in each case under any TJX plan or arrangement), including without limitation any acceleration, continued vesting, payment or delivery of cash or property, to which I am not otherwise entitled may also be conditioned on my compliance with the terms of this Agreement (any such current or future awards, payments, or other benefits that are so conditioned, collectively, "Special Compensation"). I further agree that, in addition to any other remedy to which TJX or its affiliates may be entitled under this Agreement, at law or in equity, in the event I violate one or more provisions of this Agreement, including without limitation the restrictions contained in Sections 2, 3 and/or 4 hereof, I will immediately forfeit the right to receive and/or retain any Special Compensation, and will forthwith return to TJX any Special Compensation (or, at TJX's election, the value thereof) already paid or provided to me in connection with my employment.

5. **Definitions**

Capitalized terms shall have the meanings provided in this Section 5 and as provided elsewhere in this Agreement. For purposes of this Agreement, the following definitions apply:

"Cause" means "Cause" as that term is defined in the Severance Plan.

"Confidential Information" means any and all information of TJX, whether or not in writing, that is not generally known by others with whom TJX competes or does business, or with whom it plans to compete or do business, and any and all information, which, if disclosed, would assist in competition against TJX, including but not limited to (a) all proprietary information, including but not limited to computer software (including operating systems, applications and program listings), databases, technical data, business and/or marketing plans and arrangements, processes, know-how, information regarding any aspect of the Intellectual Property, and other information concerning the products and services of TJX, (b) development, research, market research, testing, marketing and financial activities and strategic plans, including without limitation information regarding any existing or proposed acquisition, strategic alliance or joint venture, (c) the manner in which the TJX business operates, including but not limited to accounting and business methods, and TJX's plans for the future, including but not limited to plans for its store brands, products, geographic markets, advertising and promotion; (d) information concerning TJX associates, including but not limited to the methods through which TJX identifies, hires, trains and compensates its associates, and associate compensation (other than my own compensation), contact information, performance and conduct; (e) information concerning TJX vendors and suppliers, including but not limited to the identity and special needs of such vendors and suppliers, the individuals at such vendors and suppliers with whom TJX has dealt and individual contact information, past purchases from such vendors and suppliers (including the amounts and types of goods purchased and the amount, timing and method of payment), plans or negotiations for future purchases, and methods of locating and qualifying vendors and suppliers; (f) the identity and special needs of customers, prospective customers and subcontractors, and (g) information concerning other Business Partners and other people and organizations with whom TJX has or has had business relationships and the substance of those relationships.

"Intellectual Property" means any and all inventions, discoveries, developments, improvements, enhancements, methods, processes, compositions, computer codes, works, concepts and ideas (whether or not patentable, copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by me, whether alone or with others, during my employment by TJX that relate in any way to the business, operations or products of TJX, or to any prospective activity of TJX, or which make use of the Confidential Information or of facilities or equipment of TJX, including without limitation TJX's computers, computer networks, data connections, and/or mobile devices; provided, however, that the term "Intellectual Property" shall not apply to any invention that I develop or developed on my own time, without using the equipment, supplies, facilities, Confidential Information or trade secret information of TJX, unless such invention (a) is or was related at the time of conception or reduction to practice of the invention to the business of TJX or to the actual or demonstrably anticipated research or development of TJX or (b) results or resulted from any work performed by me for TJX.

"Person" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization (including any business unit), other than TJX.

"Severance Plan" means The TJX Companies, Inc. Executive Severance and Change of Control Plan effective September 19, 2022 (or any successor plan).

6. **Compliance with Other Agreements and Obligations**

I represent and warrant that my employment by TJX and the execution and performance of this Agreement will not breach or be in conflict with any other agreement to which I am a party or am bound, and that I am not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that would affect the performance of my obligations hereunder or my duties and responsibilities to TJX, except as I have disclosed in writing to TJX no later than the earliest to occur of (i) the time I return an executed copy of this Agreement, (ii) at least one week prior to the commencement of my employment or, (iii) at least one week prior to the date on which I sign an offer letter from or contract of employment with TJX. I will not disclose to or use on behalf of TJX, or induce TJX to use, any confidential or proprietary information of any previous employer or other third party without that party's consent.

7. **Entire Agreement; Severability; Modification**

This Agreement, together with the Offer Letter and the Severance Plan, sets forth the entire agreement between me and TJX, and supersedes all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the subject matter hereof, including, without limitation, the Obligations Agreement between me and TJX dated April 10, 2019. The provisions of this Agreement are severable, and no breach of any provision of this Agreement by TJX, or any other claimed breach of contract or violation of law, shall operate to excuse my obligation to fulfill the requirements of Sections 2, 3 and 4 hereof. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by me and an expressly authorized officer of The TJX Companies, Inc. If any provision of this Agreement should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions, and shall be construed by limiting it so as to be enforceable to the maximum extent permissible by law. Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions. It is agreed and understood that no changes to the nature or scope of my employment relationship with TJX shall operate to extinguish my obligations hereunder or require that this Agreement be re-executed.

8. **Assignment**

Neither TJX nor I may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, TJX may assign its rights and obligations under this Agreement without my consent in the event that TJX shall hereafter effect a reorganization, consolidate with, or merge with or into any Person or transfer to any Person all or substantially all of the business, properties or assets of TJX or any division or line of business of TJX with which I am at any time associated. This Agreement shall inure to the benefit of and be binding upon me and TJX, and each of our respective successors, executors, administrators, heirs, representatives and permitted assigns.

9. **At-Will Employment**

I acknowledge and agree that this Agreement does not in any way obligate TJX to retain my services for a fixed period or at a fixed level of compensation; nor does it in any way restrict my right or that of TJX to terminate my employment at any time, at will, with or without notice or Cause.

10. **Continued Employment; Company Policies**

I understand that not all rules and polices that apply to my employment with TJX are contained in this Agreement. I agree that, during my employment with TJX, I will abide by all the rules and policies of TJX, as amended and in effect from time to time. Without limiting the generality of the foregoing, I agree that I shall be bound by and comply with all TJX policies (including, without limitation, all codes of ethics and business conduct) applicable to TJX executives generally or that include me by reason of my position and responsibilities.

11. **Choice of Law**

This is a Massachusetts contract and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to the conflict of laws principles thereof.

12. **Acknowledgement of Understanding**

This Agreement shall be effective on the later of (i) the eleventh (11th) business day following the date on which I received this Agreement and (ii) the date on which this Agreement is returned, signed by me, to TJX. I acknowledge that the Company provided me with this Agreement at least ten (10) business days before the effective date of this Agreement. I further acknowledge that I have been and am hereby advised of my right to consult an attorney before signing this Agreement. In signing this Agreement, I give TJX assurance that I have read and understood all of its terms; that I have had a full and reasonable opportunity to consider its terms and to consult with any person of my choosing before signing; that I have not relied on any agreements or representations, express or implied, that are not set forth expressly in this Agreement; and that I have signed this Agreement knowingly and voluntarily.

[Signature Page Follows]

Intending to be legally bound hereby, I have signed this Agreement under seal as of the day and year written below.

Signature: /s/ John Klinger

Printed Name: John Klinger

Date: 11/14/2022

For the TJX Companies, Inc.

BY: /s/ Amy Fardella 11/14/2022
Amy Fardella
EVP Chief Human Resources Officer

Exhibit 31.1

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: November 29, 2022

/s/ Ernie Herrman

Name: Ernie Herrman
Title: Chief Executive Officer and President

Exhibit 31.2

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: November 29, 2022

/s/ Scott Goldenberg

Name: Scott Goldenberg
Title: Chief Financial Officer

Exhibit 32.1

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 October 29, 2022 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 October 29, 2022 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: November 29, 2022

Exhibit 32.2

**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 October 29, 2022 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 October 29, 2022 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: November 29, 2022