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21 February 2020

Office of the Chief Counsel  
Division of Corporation Finance  
Securities & Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

By: Electronic mail: [shareholderproposals@sec.gov](mailto:shareholderproposals@sec.gov)

Re: Shareholder proposal to The TJX Companies, Inc.  
from the New York State Common Retirement Fund

Dear Counsel:

I write on behalf of the New York State Common Retirement Fund (the "Fund") to respond to a letter from counsel for The TJX Companies, Inc. ("TJX" or the "Company") dated 3 February 2020 ("TJX Letter"), which advises that TJX intends to omit the Fund's proposal (the "Proposal") from the Company's 2020 proxy materials.

The Proposal

The Proposal deals with executive compensation policies for the Company's senior executive officers and states as follows:

**RESOLVED:** Shareholders of the TJX Companies ("Company") urge the Compensation Committee of the Board of Directors ("Committee") to disclose if, and how, it seeks to require that senior executives retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age.

In its discretion, the Committee may wish to consider:

- Defining normal retirement age based on the Company's qualified retirement plan with the largest number of participants.
- Adopting a share retention requirement of at least 25 percent of net after-tax shares awarded, and

- Whether this supplements any other share ownership requirements that have been established for senior executives.

This policy should be implemented so as not to violate the Company's existing contractual obligations or the terms of any compensation or benefit plan currently in effect.

The Supporting Statement offers this explanation of the Proposal:

Equity-based compensation is an important component of senior executive compensation at our Company. While we encourage the use of equity-based compensation for senior executives, we are concerned that our Company's senior executives are generally free to sell shares received from equity compensation plans. Our proposal seeks to better link executive compensation with long-term performance by requiring meaningful retention of shares senior executives receive from the Company's equity compensation plans. Requiring senior executives to hold a significant percentage of shares obtained through equity compensation plans until they reach retirement age, regardless of when the CEO actually retires, will better align the interests of executives with the interests of shareholders and the Company. In addition, when company senior executives sell their shares during a share buyback, it sends a mixed message to shareholders — on one hand, the board is saying that the company stock is undervalued enough to make the buyback worthwhile while management is saying it is valued highly enough to be worth selling.

In our opinion, the Company's current share ownership guidelines for senior executives do not go far enough to ensure that the Company's equity compensation plans continue to build stock ownership by senior executives over the long-term. We believe that requiring senior executives to only hold shares equal to a set target loses effectiveness over time. After satisfying these target holding requirements, senior executives are free to sell all the additional shares they receive in equity compensation.

The TJX Letter argues that the Proposal may be omitted from the Company's proxy materials because it has been "substantially implemented" within the meaning of SEC Rule 14a-8(i)(10). We respond as follows.

The Proposal cannot be excluded under Rule 14a-8(i)(10).

A proposal may be excluded under this provision if the "essential objective" of the proposal has already been accomplished, a determination that looks to whether

a company's "particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (28 March 1991). TJX has not met that standard here.

At the outset, we note that in *Chipotle Mexican Grill, Inc.* (7 February 2020) the Division denied no-action relief on "substantially implemented" grounds as to the identical proposal, which the Fund had also submitted. For many of the same reasons that the Chipotle policy did not compare favorably with the Fund's proposal, the TJX policy is similarly deficient.

TJX's "substantially implemented" argument rests on the premise that the Company requires senior executives to meet stock ownership requirements that are expressed as a multiple of base salary, such that:

- The CEO and President and Executive Chairman are each expected to own shares worth six times their base salary.
- The Chief Financial Officer and all Senior Vice Presidents are each expected to own shares worth three times their base salary.
- These ownership shares continue until age 62, at which point they are reduced by 50%.
- The holding requirements continue until the executive is no longer serving as an executive of TJX.
- Executives who have not attained the requisite minimum ownership levels must retain at least 50% of the value of the shares of stock received upon or following the vesting of stock awards and exercise of stock options (net of income taxes, and if applicable, exercise price) until such ownership level is achieved.

How does all this differ from what the Fund proposes?

The Fund's Proposal recommends a policy that senior executives "retain a *significant percentage of shares acquired through equity compensation programs* until reaching normal retirement age." While TJX executives must meet certain ownership thresholds, those thresholds are tied to base salary, which is only a portion of total compensation. From the Fund's perspective, the flaw in TJX's current policy is that equity grants to senior executives may far outstrip the minimum holding requirements, which only take into account base compensation. Once an executive has received enough equity compensation to meet the minimum ownership requirements, *the executive is free to sell everything in excess of the required minimum.*

Last year's proxy statement (for the fiscal year ending 2 February 2019) shows that the issue is not theoretical at TJX, given that the board has awarded far more shares than the TJX policy requires these executives to hold.

- CEO and President Ernie Herrman had a base salary in each of the last three years that ranged from \$1.525 million and \$1.619 million – a level of compensation that at the high end would require ownership of \$9.7 million worth of TJX shares (2019 Proxy, p. 32). In fact, his equity awards in *each* of those years exceeded \$9 million (*id.*) and at the end of FY 2019 he held 478,028 shares (*id.* at 21), which then were worth approximately \$51/share, for a total value of \$24.3 million – nearly triple the holding required under TJX’s existing policy. It is that surplus over the existing \$9.7 million requirement that the Proposal addresses.

- CFO Scott Goldenberg’s base salary in those same three years ranged from \$813,462 to \$931,156 – a level of compensation that at the high end would require ownership of at least \$2.79 million worth of TJX shares. His equity awards in *each* of those years were near or above that level, and at the end of FY 2019 he held 125,618 shares, which at a price of \$51/share were worth \$6.4 million – more than double the holding required under TJX’s existing policy. It is the surplus over the existing \$2.79 million requirement that the Proposal is addressing.

The Supporting Statement is clear that a holding requirement based solely on a multiple of base salary is inadequate: “We believe that requiring senior executives to only hold shares equal to a set target loses effectiveness over time. After satisfying these target holding requirements, senior executives are free to sell all the additional shares they receive in equity compensation.”

This is not the only way in which TJX’s existing policy fails to compare favorably to the Fund’s proposal.

- TJX makes much of the statement in the Company’s *Executive Stock Ownership and Retention Policy and Practices* that executives “who have not attained the requisite ownership level are expected to retain at least 50% of the value of the shares of stock received upon or following the vesting of stock awards (net of income taxes and, if applicable, exercise price) until such ownership level is achieved.”

Here again, however, this 50% rule applies only towards meeting the minimum holding requirement, which is based on base salary. As is shown by the examples cited above (and others at p. 42 of the 2019 proxy statement), it is not difficult for an executive to be granted the entirety of the minimum ownership requirement in a single year. Thereafter, because any equity awards can be immediately sold, the 50% requirement under existing policy may have little impact on a senior executive’s decision to hold shares granted under equity awards, which constitute a material portion of a senior executive’s overall compensation for the long term. In any event, the current policy is measuring 50% of a smaller pool of stock than the 25% level of net equity compensation suggested in the Fund’s Proposal.

- The TJX policy reduces the minimum holding requirements by 50% when an executive reaches age 62, something the Fund’s proposal does not address.

- The TJX policy requires executives to meet the minimum holding period as long as the executive serves as an executive officer of TJX. This contrasts with the Fund’s proposal that the recommended policy (which goes beyond existing policy) requires retaining the stock until normal retirement age, regardless of whether the executive is still employed there.

The point advanced by the Company seems to be that the existing TJX policy requires stock retention for a longer period than the Fund’s proposal contemplates. This argument ignores several key distinctions: (1) the Fund’s proposal covers stock ownership that is not covered by the current policy; (2) the existing holding requirements drop by 50% when an executive reaches age 62, and (3) the executive may depart the Company and sell all of his or her shares before reaching the age of 62.

- The TJX stock retention policy, quoted above, does note that Mr. Herrman did receive a one-time “career shares award” when he became CEO and that this one-time grant “provides for the deferral of such vested shares for a period following his retirement or other separation from service.” That grant, which has begun to vest, will continue to vest on a *pro rata* basis until it is fully vested in 2026.<sup>1</sup> The existence of such a “welcome aboard” grant to a single executive for an amount less than the value of annual equity awards does not mean that the current policy comes remotely close to implementing the proposed policy

\* \* \*

Thus TJX cannot cite its existing policy as evidence that the Company has disclosed to shareholders “if and how” the Company has considered the policy recommended by the Fund’s proposal. The reason is simple: The current policy has nothing to do with the type of retention requirement that the Fund is proposing.

### Conclusion

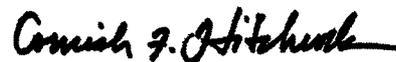
For these reasons, TJX has not carried its burden of demonstrating that the Fund’s Proposal has been “substantially implemented, and we respectfully ask the Division to advise TJX that the Division does not concur that the Fund’s Proposal may be omitted under Rule 14a-8(i)(10).

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<sup>1</sup> This award, granted in 2016 in connection with Mr. Herrman’s promotion to CEO, is 140,372 shares, which vest in full at the end of fiscal 2026 with pro-rated annual vesting beginning at the end of fiscal 2020, subject to his continued employment with TJX. 2019 Proxy Statement at pp. 46-47 & footnotes (3) and (d).

Thank you for your consideration of these points. Please feel free to contact me if any additional information would be helpful.

Very truly yours,

A handwritten signature in black ink that reads "Cornish F. Hitchcock". The signature is written in a cursive style with a prominent initial 'C'.

Cornish F. Hitchcock

cc: Elisabeth A. Ising (EIsing@gibsondunn.com)

February 3, 2020

**VIA E-MAIL**

Office of Chief Counsel  
Division of Corporation Finance  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: *The TJX Companies, Inc.*  
*Shareholder Proposal of the New York State Common Retirement Fund*  
*Securities Exchange Act of 1934—Rule 14a-8*

Ladies and Gentlemen:

This letter is to inform you that our client, The TJX Companies, Inc. (the “Company”), intends to omit from its proxy statement and form of proxy for its 2020 Annual Meeting of Shareholders (collectively, the “2020 Proxy Materials”) a shareholder proposal and statements in support thereof (the “Proposal”) submitted by the New York State Common Retirement Fund (the “Proponent”).

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the “Commission”) no later than eighty (80) calendar days before the Company intends to file its definitive 2020 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”) provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the “Staff”). Accordingly, we are taking this opportunity to inform the Proponent that if the Proponent elects to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

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## THE PROPOSAL

The Proposal states:

**RESOLVED:** Shareholders of the TJX Companies, Inc. (“Company”) urge the Compensation Committee of the Board of Directors (“Committee”) to disclose if, and how, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age.

In its discretion, the Committee may wish to consider:

- Defining normal retirement age based on the Company’s qualified retirement plan with the largest number of participants,
- Adopting a share retention requirement of at least 25 percent of net after-tax shares awarded, and
- Whether this supplements any other share ownership requirements that have been established for senior executives.

A copy of the Proposal and the Supporting Statement, as well as related correspondence with the Proponent, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may properly be excluded from the 2020 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

## ANALYSIS

### **The Proposal May Be Excluded Under Rule 14a-8(i)(10) Because It Has Been Substantially Implemented**

The Proposal requests that the Executive Compensation Committee (the “Committee”) of the Company’s Board of Directors (the “Board”) “disclose *if, and how*, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age” (emphasis added). The Company’s existing policies and practices relating to executive stock ownership and retention, which are part of its executive compensation program overseen by the Committee, already describe the extent to which the Committee requires and encourages “meaningful retention of shares senior executives receive from the Company’s equity compensation plans,” including the

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extent to which the Committee requires “named executive officers [to] retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age.” These policies and practices are described in the publication “Executive Stock Ownership and Retention Policies and Practices” posted on the Company’s website (the “Share Retention Statement”).<sup>1</sup> Prior to its publication, the Committee and the Board considered the Share Retention Statement and confirmed that it reflects an up-to-date view of the Company’s current policies, guidelines, standards and practices regarding share ownership and retention by executive officers, including requirements applicable to shares received through equity compensation awards as addressed in the Proposal. Therefore, the Proposal is excludable under Rule 14a-8(i)(10) because it has been substantially implemented by the Company’s existing disclosures and policies.

*A. Background On Substantial Implementation Under Rule 14a-8(i)(10)*

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy materials if the company has substantially implemented the proposal. The Commission stated in 1976 that the predecessor to Rule 14a-8(i)(10) was “designed to avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management.” Exchange Act Release No. 12598 (July 7, 1976). Originally, the Staff narrowly interpreted this predecessor rule and granted no-action relief only when proposals were “‘fully’ effected” by the company. *See* Exchange Act Release No. 19135 (Oct. 14, 1982). By 1983, the Commission recognized that the “previous formalistic application of [the Rule] defeated its purpose” because proponents were successfully convincing the Staff to deny no-action relief by submitting proposals that differed from existing company policy by only a few words. Exchange Act Release No. 20091, at § II.E.6. (Aug. 16, 1983) (the “1983 Release”). Therefore, in 1983, the Commission adopted a revision to the rule to permit the omission of proposals that had been “substantially implemented.” 1983 Release. The 1998 amendments to the proxy rules reaffirmed this position. *See* Exchange Act Release No. 40018 at n.30 and accompanying text (May 21, 1998) (the “1998 Release”).

Under this standard, when a company can demonstrate that it already has taken actions to address the underlying concerns and essential objectives of a shareholder proposal, the Staff has concurred that the proposal has been “substantially implemented” and may be excluded as moot. The Staff has noted that “a determination that the company has substantially implemented the proposal depends upon whether [the company’s] particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991).

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<sup>1</sup> Available at <https://www.tjx.com/docs/default-source/corporate-responsibility/executive-stock-ownership-and-retention-policies-and-practices.pdf> and attached hereto as Exhibit B.

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In applying this standard, a company need not implement a shareholder proposal in exactly the manner set forth by the proponent or in the manner that a shareholder may prefer. See 1998 Release at n.30 and accompanying text. Differences between a company's actions and a shareholder proposal are permitted as long as the company's actions satisfactorily address the proposal's essential objectives. For example, in *Exxon Mobil Corp.* (avail. Mar. 21, 2012) ("*Exxon Mobil 2012*"), the proposal requested that the board adopt a policy requiring that senior executives "retain a significant percentage" of stock acquired through the company's equity pay programs "until one year following the termination of their employment and to report to shareholders regarding this policy." In the proposal's supporting statement, the proponent suggested the company require senior executives retain "at least 25% of net after-tax stock." The company argued that its existing policy, which required executive officers to "retain a significant percentage" of the company stock granted to them under the company's equity pay programs "for multiple years after retirement," substantially implemented the proposal even though the company's policy did not specify the 25% minimum recommended in the proposal. The Staff concurred with the exclusion of the proposal under Rule 14a-8(i)(10), noting that the company's policy "compare[d] favorably with the guidelines of the proposal." See also *Wal-Mart Stores, Inc.* (avail. Mar. 25, 2015) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal requesting an employee management metric for executive compensation where a "diversity and inclusion metric related to employee engagement" was already included in the company's management incentive plan); *Entergy Corp.* (avail. Feb. 14, 2014) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal calling for a report "on policies the company could adopt to take additional near-term actions to reduce its greenhouse gas emissions" when the company already provided environmental sustainability disclosures on its website and in a separate report); *The Boeing Co.* (avail. Feb. 17, 2011) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company "review its policies related to human rights" and report its findings, where the company had already adopted human rights policies and provided an annual report on corporate citizenship); *Exelon Corp.* (avail. Feb. 26, 2010) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal that requested a report on different aspects of the company's political contributions when the company had already adopted its own set of corporate political contribution guidelines and issued a political contributions report that, together, provided "an up-to-date view of the [c]ompany's policies and procedures with regard to political contributions"); *The Dow Chemical Co.* (avail. Mar. 5, 2008) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal requesting a "global warming report" discussing how the company's efforts to ameliorate climate change may have affected the global climate when the company had already made various statements about its efforts related to climate change in various corporate documents and disclosures); *Exxon Mobil Corp.* (avail. Mar. 17, 2006) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company establish policies designed to achieve the long-term goal of making the company the recognized leader in low-carbon emissions in both production and products where the company had previously issued a report detailing the company's commitment to emissions reduction);

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*PPG Industries, Inc.* (avail. Jan. 19, 2004) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal requesting the board adopt a policy statement “generally committing [the company] to the elimination of product testing on animals” in favor of alternative product testing methods, where the company had already issued an “animal welfare policy committing the company to use alternatives to animal testing”); *Freeport-McMoRan Copper & Gold Inc.* (avail. Mar. 5, 2003) (concurring with the exclusion under Rule 14a-8(i)(10) of a proposal requesting that the board amend its human rights policy as substantially implemented when the company’s existing policies addressed the subject matter of the proposal).

*B. The Company’s Disclosures Regarding Its Policies Substantially Implement the Proposal*

As described in the Share Retention Statement, the Company has adopted numerous policies and practices related to executive stock ownership and retention, which are part of the executive compensation program overseen by the Committee. Among other things, these policies include an equity award retention standard, described below, that requires retention of a significant number of Company shares received by executives through equity compensation awards. These policies and practices are designed to align the interests of the Company’s executives’ with those of Company shareholders. Moreover, as stated in the Share Retention Statement, “[t]hese policies and practices require share ownership by executive officers of TJX and encourage share retention as long as the executive is serving as an executive officer of TJX, regardless of whether the executive is eligible to retire.”

As described in the Share Retention Statement, the Company maintains executive stock ownership guidelines (the “Stock Ownership Guidelines”), which are part of the Company’s Corporate Governance Principles adopted by the Board, that apply to the Company’s executive officers, including the named executive officers. The Stock Ownership Guidelines require that each executive officer: (1) own a specified multiple of his or her annual base compensation in the Company’s common stock; and (2) provide that executive officers are expected to meet the ownership threshold within five years from their respective dates of hire or promotion to the executive officer positions. The specific multiple varies but each is significant: the Company’s Chief Executive Officer and President and the Company’s Executive Chairman are expected to own shares of the Company’s common stock with a fair market value equal to six times their annual base compensation, and the Company’s Chief Financial Officer and each Senior Executive Vice President are expected to own shares with a fair market value of at least three times their annual base compensation. The Stock Ownership Guidelines, which provide for a reduction in the applicable multiple after the executive officer reaches age 62, apply to each executive officer during his or her service as an executive officer (not just until “normal retirement age”).

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The Share Retention Statement also explains that “[e]xecutives who have not attained the requisite ownership level are expected to retain at least 50% of the value of shares of stock received upon or following vesting of stock awards and exercise of stock options (net of income taxes and, if applicable, exercise price)” (the “Equity Award Retention Standard”). The Equity Award Retention Standard can accelerate an executive officer’s progress toward compliance with the applicable multiple under the Stock Ownership Guidelines by requiring executives who are not in compliance with the requisite ownership standard to retain a significant portion of shares received pursuant to equity compensation awards. The Equity Award Retention Standard also addresses the Proposal’s concern that “senior executives are generally free to sell shares received from equity compensation plans.”

Finally, the Share Retention Statement explains how the Company’s executive compensation program emphasizes long-term equity incentives that tie executive officer compensation to long-term shareholder value. As described in the Share Retention Statement, the Company’s long-term incentives include performance share units with three-year performance vesting conditions and restricted stock units with three-year service vesting conditions. Moreover, the Company’s CEO holds a career shares award that is not scheduled to vest in full until the end of a ten-year service period and provides for the deferral of such vested shares until six months following his retirement or other separation from service, as described in the Share Retention Statement.

In addition to publicizing these policies and practices in the Share Retention Statement, each year the Company describes the Stock Ownership Guidelines and includes information about equity compensation for executive officers in the proxy statement for its annual meeting of shareholders, most recently in the proxy statement for the Company’s 2019 Annual Meeting of Shareholders (the “2019 Proxy Statement”).<sup>2</sup> The relevant page of the 2019 Proxy Statement describing the Stock Ownership Guidelines is attached hereto as Exhibit C. A description of the Stock Ownership Guidelines is also included in the Company’s Corporate Governance Principles, which are available on the Company’s website<sup>3</sup> and which are attached hereto as Exhibit D. Moreover, the Company will include disclosure in the proxy statement for the Company’s 2020 Annual Meeting of Shareholders regarding the Stock Ownership Guidelines and the Equity Award Retention Standard.

In addition, we note that following the “Resolved” clause, the Proposal includes a list of three additional factors that the Executive Compensation Committee “may wish to consider”

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<sup>2</sup> The 2019 Proxy Statement is available at <https://www.sec.gov/Archives/edgar/data/109198/000119312519119221/d656615ddef14a.htm>

<sup>3</sup> The Corporate Governance Principles are available at <https://www.tjx.com/docs/default-source/corporate-responsibility/corporate-governance-principles.pdf>.

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when disclosing its determination. As explained above, and as demonstrated in *Exxon Mobil 2012*, Rule 14a-8(i)(10) does not require a company to implement a policy identical to the shareholder proposal, but instead requires that the company substantially implement the shareholder proposal. Nonetheless, through the Share Retention Statement, the Company has demonstrated how each of the three additional factors suggested by the Proposal is addressed by the Company's current policies and practices:

- The first consideration is “[d]efining normal retirement age based on the Company’s qualified retirement plan with the largest number of participants.” As set forth in the Share Retention Statement, the Company’s applicable ownership and retention policies are not generally based on the executive’s retirement eligibility; instead, the policies apply for the duration of the executive’s service as an executive officer, regardless of whether the executive is eligible to retire.
- The second consideration is “[a]dopting a share retention requirement of at least 25 percent of net after-tax shares awarded.” As set forth in the Share Retention Statement, under the Equity Award Retention Standard executives are expected to retain at least 50% of such shares until they attain the applicable requisite ownership level.
- The third consideration is “[w]hether this supplements any other share ownership requirements that have been established for senior executives.” As described in the Share Retention Statement, in supplement to the Stock Ownership Guidelines and the Equity Award Retention Standard, the Committee also designed the executive compensation awards to emphasize long-term equity incentives, which include equity compensation awards with longer term vesting requirements. Moreover, the terms of the CEO’s career shares award provide for the deferral of such vested shares until after his retirement or other separation from service. The Share Retention Statement also explains that other Company policies apply to any sale of shares of the Company by executive officers of the Company, including the Company’s policy for recovery of executive officer incentive compensation and the Company’s global insider trading policy, which includes prohibitions on engaging in pledging or hedging transactions with respect to Company shares.

In sum, the Proposal requests that the Committee “disclose *if, and how*, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age” (emphasis added). In response to the “if” question in the Proposal, the Share Retention Statement (which reflects the Committee’s current approach to executive stock ownership and retention policies and practices at the Company) makes clear that the Committee has not determined to adopt the exact policy the

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Proponent appears to prefer, as expressed in the Supporting Statement (“requir[ing] executives to retain a portion of all annual stock awards”). Instead, the Share Retention Statement details (in response to the “how” question in the Proposal) the extent to which the Committee requires and encourages “meaningful retention of shares senior executives receive from the Company’s equity compensation plans” via the policies and practices set forth in the Share Retention Statement, including the Equity Award Retention Standard, which requires executive officers to retain at least “50% of the value of shares of stock received upon or following vesting of stock awards and exercise of stock options” until they satisfy the Stock Ownership Guidelines. Thus, as in *Exxon Mobil 2012*, *Wal-Mart Stores*, *Entergy* and the other precedent cited above, the Company has substantially implemented the Proposal.

## CONCLUSION

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2020 Proxy Materials.

We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject. Correspondence regarding this letter should be sent to [shareholderproposals@gibsondunn.com](mailto:shareholderproposals@gibsondunn.com). If we can be of any further assistance in this matter, please do not hesitate to call me at (202) 955-8287 or Alicia C. Kelly, Executive Vice President, General Counsel and Secretary at the Company, at (508) 390-6527.

Sincerely,



Elizabeth A. Ising

Enclosures

cc: Alicia C. Kelly, The TJX Companies, Inc.  
George Wong, New York State Common Retirement Fund

**EXHIBIT A**

**Jill DiGiovanni**

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**Subject:** RE: [External] Shareholder Request

**From:** Kyle Seeley <[kseeley@osc.ny.gov](mailto:kseeley@osc.ny.gov)>  
**Date:** December 19, 2019 at 5:11:07 PM EST  
**To:** Alicia Kelly <[Alicia\\_Kelly@tjx.com](mailto:Alicia_Kelly@tjx.com)>  
**Cc:** George Wong <[gwong@osc.ny.gov](mailto:gwong@osc.ny.gov)>, "John W. White" <[jwwhite@osc.ny.gov](mailto:jwwhite@osc.ny.gov)>  
**Subject:** [External] Shareholder Request

Good evening,

Please find attached a copy of the New York State Common Retirement Fund filing letter and shareholder resolution, which was also sent to you today via UPS. If you have any questions regarding this transmission, please feel free to contact me.

All the best,

Kyle R. Seeley  
Corporate Governance and ESG Officer  
New York State Common Retirement Fund  
59 Maiden Lane, 30th Floor, New York, NY 10038  
212 383-2416 (office)  
518 312-8908 (cell)  
[kseeley@osc.ny.gov](mailto:kseeley@osc.ny.gov)

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THOMAS P. DINAPOLI  
STATE COMPTROLLER



STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

December 19, 2019

Ms. Alicia C. Kelly  
Secretary  
The TJX Companies, Inc.  
770 Cochituate Road  
Framingham, MA. 01701

Dear Ms. Kelly,

The Comptroller of the State of New York, Thomas P. DiNapoli, is the trustee of the New York State Common Retirement Fund (the "Fund") and the administrative head of the New York State and Local Retirement System. The Comptroller has authorized me to inform of his intention to offer the enclosed shareholder proposal for consideration of stockholders at the next annual meeting.

I submit the enclosed proposal to you in accordance with rule 14a-8 of the Securities Exchange Act of 1934 and ask that it be included in your proxy statement.

A letter from J.P. Morgan Chase, the Fund's custodial bank verifying the Fund's ownership of The TJX Companies, Inc. shares, continually for over one year, is enclosed. The Fund intends to continue to hold at least \$2,000 worth of these securities through the date of the annual meeting.

We would be happy to discuss this initiative with you. Should The TJX Companies, Inc. board decide to endorse its provisions as company policy, the Comptroller will ask that the proposal be withdrawn from consideration at the annual meeting. Please feel free to contact George Wong at 212-383-2675 and/or email at [gwong@osc.ny.gov](mailto:gwong@osc.ny.gov) should you have any further questions on this matter.

Sincerely,

George Wong  
Corporate Governance Officer

Enclosures

## **Share Buybacks and Share Retention**

**RESOLVED:** Shareholders of The TJX Companies, Inc. ("Company") urge the Compensation Committee of the Board of Directors ("Committee") to disclose if, and how, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age.

In its discretion, the Committee may wish to consider:

- Defining normal retirement age based on the Company's qualified retirement plan with the largest number of participants,
- Adopting a share retention requirement of at least 25 percent of net after-tax shares awarded, and
- Whether this supplements any other share ownership requirements that have been established for senior executives.

This policy should be implemented so as not to violate the Company's existing contractual obligations or the terms of any compensation or benefit plan currently in effect.

### **SUPPORTING STATEMENT:**

Equity-based compensation is an important component of senior executive compensation at our Company. While we encourage the use of equity-based compensation for senior executives, we are concerned that our Company's senior executives are generally free to sell shares received from equity compensation plans. Our proposal seeks to better link executive compensation with long-term performance by requiring meaningful retention of shares senior executives receive from the Company's equity compensation plans. Requiring senior executives to hold a significant percentage of shares obtained through equity compensation plans until they reach retirement age, regardless of when the CEO actually retires, will better align the interests of executives with the interests of shareholders and the Company. In addition, when company senior executives sell their shares during a share buyback, it sends a mixed message to shareholders—on one hand, the board is saying that the company stock is undervalued enough to make the buyback worthwhile while management is saying it is valued highly enough to be worth selling.

In our opinion, the Company's current share ownership guidelines for senior executives do not go far enough to ensure that the Company's equity compensation plans continue to build stock ownership by senior executives over the long-term. We believe that requiring senior executives to only hold shares equal to a set target loses effectiveness over time. After satisfying these target holding requirements, senior executives are free to sell all the additional shares they receive in equity compensation. We believe that requiring executives to retain a portion of all annual stock awards provides incentives to avoid short-term thinking and to promote long-term, sustainable value.

# J.P.Morgan

Miriam G. Awad  
Vice President  
CIB Client Service Americas

December 19, 2019

Ms. Alicia C. Kelly  
Secretary  
The TJX Companies, Inc.  
770 Cochituate Road  
Framingham, MA 01701

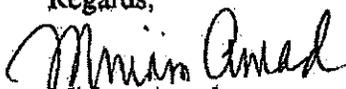
Dear Ms. Kelly,

This letter is in response to a request by The Honorable Thomas P. DiNapoli, New York State Comptroller, regarding confirmation from JP Morgan Chase that the New York State Common Retirement Fund has been a beneficial owner of The TJX Companies, Inc. continuously for at least one year as of and including December 19, 2019.

Please note that J.P. Morgan Chase, as custodian for the New York State Common Retirement Fund, held a total of 3,231,851 shares of common stock as of December 19, 2019 and continues to hold shares in the company. The value of the ownership stake continuously held by the New York State Common Retirement Fund had a market value of at least \$2,000.00 for at least twelve months prior to, and including, said date.

If there are any questions, please contact me at (212) 623 8481.

Regards,

  
Miriam Awad

cc: Kyle Seeley - NYSCRF  
George Wong - NYSCRF  
John White - NYSCRF

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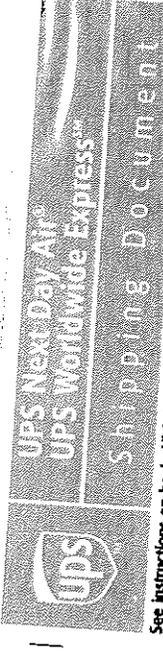
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**Ship To:**  
George Wong  
212-383-2679

**Company:**  
NYS COMMON RETIREMENT FUND

**Address:**  
59 MAIDEN LN FLR 30  
NEW YORK NY 10038-4502

**Shipper:**  
Alicia Kelly

**Company:**  
The TJX Companies

**Address:**  
170 Cochituate Road

**City/State/Zip:**  
Framingham, MA 01701



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**EXHIBIT B**

## EXECUTIVE STOCK OWNERSHIP AND RETENTION POLICIES AND PRACTICES

The TJX executive compensation program that is overseen by the Executive Compensation Committee of the Board of Directors of TJX includes policies and practices that are designed to align our executives' interests with those of our shareholders. These policies and practices require share ownership by executive officers of TJX and encourage share retention as long as the executive is serving as an executive officer of TJX, regardless of whether the executive is eligible to retire.

*Executive Stock Ownership Guidelines.* Under our stock ownership guidelines, our CEO and President and our Executive Chairman are expected to attain stock ownership with a fair market value equal to at least six times annual base compensation; and our Chief Financial Officer and all Senior Executive Vice Presidents are expected to attain stock ownership with a fair market value of at least three times annual base compensation. At age 62, these ownership guidelines are reduced by fifty percent. Executives are expected to make steady progress toward the ownership guidelines and to attain them within five years from their respective dates of hire or promotion to the above positions. Executives who have not attained the requisite ownership level are expected to retain at least 50% of the value of shares of stock received upon or following vesting of stock awards and exercise of stock options (net of income taxes and, if applicable, exercise price) until such ownership level is achieved.

*Long-term Equity Awards.* Our executive compensation program emphasizes long-term equity incentives that tie executive officer compensation to long-term shareholder value. Our long-term incentives include performance share units with three-year performance vesting conditions and restricted stock units with three-year service vesting conditions. Our CEO also holds a career shares award that is not scheduled to vest in full until the end of a ten-year service period and provides for the deferral of such vested shares for a period following his retirement or other separation from service. Additional information about equity compensation for our executive officers can be found in our annual proxy statement.

*Other Policies.* Any sale of TJX shares by our executive officers is subject to other applicable company policies, including our policy for recovery of executive officer incentive compensation and our global insider trading policy, which includes prohibitions on engaging in pledging or hedging transactions with respect to TJX stock.

**EXHIBIT C**

## STOCK OWNERSHIP GUIDELINES AND HEDGING/PLEDGING PROHIBITIONS

We have stock ownership guidelines that apply to all of our executive officers. Under these guidelines, updated during fiscal 2019, our CEO and President and our Executive Chairman are expected to attain stock ownership with a fair market value equal to at least six times annual base compensation. Our Chief Financial Officer and each Senior Executive Vice President are expected to attain stock ownership with a fair market value of at least three times annual base compensation. At age 62, these ownership guidelines are reduced by fifty percent. Our stock ownership guidelines are designed to align our executives' interests with those of our shareholders and to encourage a long-term focus. As of April 8, 2019, each of our executive officers was in compliance with our stock ownership guidelines and policies. Our policies also prohibit our executive officers from engaging in pledging or hedging transactions with respect to TJX stock.

## EMPLOYMENT AGREEMENTS

The ECC has reviewed and approved, after consultation with Pearl Meyer, individual employment agreements for our NEOs that set certain terms of employment, including compensation, benefits, and termination and change of control provisions discussed under *Severance, Retirement, and Change of Control Provisions*. We believe that these employment agreements and related plans help retain our executives and support our succession planning process. The ECC takes the terms of these agreements into account when approving compensation for our NEOs.

Each of our NEO employment agreements has a three-year term. In February 2019, we entered into new employment agreements with Mr. Herrman and Ms. Meyrowitz, which became effective at the beginning of fiscal 2020 and, unless terminated earlier in accordance with their terms, continue until January 29, 2022. The existing three-year agreements with Mr. Goldenberg, Mr. Sherr, and Mr. Canestrari, unless terminated earlier in accordance with their terms, continue until January 30, 2021.

The agreements with our NEOs establish a minimum level of base salary and provide for participation in the SIP, MIP, and LRPIP, at levels commensurate with the executive's position and responsibilities and subject to terms established by the ECC, and also entitle the executives to participate in TJX's fringe benefit and deferred compensation plans, including, in the case of Mr. Herrman and Ms. Meyrowitz, an automobile allowance and reimbursement of reasonable legal and financial advisor fees and costs incurred in negotiating the agreement. Mr. Herrman's and Ms. Meyrowitz's agreements that became effective at the start of fiscal 2020 also provide for minimum MIP and LRPIP target award levels during the term of the agreements, which were not increased from the target percentages provided under their previous agreements in effect during fiscal 2019. Mr. Herrman's agreement that became effective at the start of fiscal 2020 continues to provide for an enhanced company match under our ESP, and his previous agreement in effect during fiscal 2019 provided for the additional performance-based company credits described above in *Deferred Compensation*. Ms. Meyrowitz's agreement that became effective at the start of fiscal 2020 provides for annual stock awards with a total grant date value of \$5 million, consisting of PSUs with a three-year performance vesting period and RSUs, and also specifies interest rate assumptions for determining her SERP benefit.

## EXECUTIVE CHAIRMAN COMPENSATION

The ECC recognizes that the role of executive chairman varies across companies. In establishing compensation for Ms. Meyrowitz, our Executive Chairman, the ECC was advised by Pearl Meyer and evaluated other Fortune 200 companies with executive chairman positions and took into account the degree of active involvement that Ms. Meyrowitz has as part of the management team at TJX relative to other executive chairman roles that may be more limited or transitional in nature. Ms. Meyrowitz is an active and integral member of the executive management team in addition to serving as Chairman of the Board. In her role as Executive Chairman, she serves as a key resource in the areas of merchandising, marketing, and internal training, and provides support to our CEO, CFO, and other members of senior management, with an emphasis on strategic initiatives and long-term company strategy. Our Board believes strongly that Ms. Meyrowitz, who has wide ranging, in-depth knowledge of our business and the retail industry overall, continues to play a critical role as an executive at TJX in addition to providing effective leadership to the Board. During fiscal 2019, the ECC

**EXHIBIT D**



## Corporate Governance Principles

The TJX Companies, Inc. Board of Directors is responsible for overseeing the business and affairs of the Company. The Board shall exercise its business judgment to represent the best interests of the Company and its stockholders and to maximize the value of the Company. The Board has the responsibility to monitor regularly the effectiveness of management's implementation of strategy, policies and decisions. The Board and management believe that responsibly considering the interests of the Company's customers, employees, suppliers, service providers, communities where it operates and others will enhance the interests of the stockholders.

- I. Selection and Composition of Board of Directors
- II. Board Compensation and Performance
- III. Meetings of the Board of Directors
- IV. Committees of the Board of Directors
- V. Leadership Development
- VI. Stock Ownership Guidelines for Directors and Executive Officers
- VII. Amendments and Waivers

### I. Selection and Composition of Board of Directors

(a) *Board Membership Criteria.* Our Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the stockowners. Our Board should reflect a range of talents, ages, skills, diversity, viewpoints, perspectives, experiences, and expertise to provide sound and prudent guidance with respect to the operations and interests of our Company.

Our Board members must be able to dedicate the time and resources necessary for the diligent performance of their duties, including attending board and applicable committee meetings. In this respect, Directors who are CEOs of public companies should not serve on more than one public company board besides their own. We believe that no Director should serve on more than three other public company boards.

(b) *Selection of Nominees.* The Board of Directors is responsible for nominating members to be presented for election by the stockholders. The Corporate Governance Committee with input from the Chair and the Chief Executive Officer is responsible for identifying and reviewing candidates for director positions and submitting proposed nominees to the Board. Stockholders may propose nominees for Directors by following the process provided in the Company's bylaws. The Corporate Governance Committee, in consultation with the Chief Executive Officer, the Chair of the Board and the Lead Director and in light of the annual Board and Committee self-evaluations, will review each Director's renomination to the Board.

(c) *Extending Invitation to Potential Director.* The invitation to join the Board should be extended by the Board of Directors and communicated by either the Chair of the Board or the Chair of the Corporate Governance Committee.

(d) *Board Leadership.* A Chair of the Board of Directors is elected annually from among the Directors by the Board of Directors. The Board will determine, in light of the best interests of the Company, whether an independent Director, as defined below, or an employee or former employee of the Company should serve as the Chair.

(e) *Lead Director.* If the Chair of the Board is not an independent Director, the independent Directors will select a Lead Director of the Board annually. The Lead Director meets at least quarterly with the CEO and with senior officers as necessary, and generally attends regular management business review meetings. The Lead Director will schedule and chair meetings of independent Directors and of non-management Directors, as defined by the New York Stock Exchange Listing Standards, attend the meetings of each Board Committee and undertake such other responsibilities as the independent Directors designate from time to time.

(f) *Size of the Board.* The Board should neither be too small to maintain the needed expertise and independence nor too large to be efficiently functional. We periodically review the appropriate size and mix of the Board in light of our stated objectives below.

(g) *Director Independence.* The Board of Directors believes that at least two-thirds of the members of our Board of Directors should be independent.

The Board of Directors shall annually determine whether or not each Director is independent. No director shall qualify as independent unless the Board of Directors affirmatively determines that the Director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Corporate Governance Committee is responsible for assessing director independence on an annual basis and making recommendations to the Board of Directors. To assist in determining whether a Director has a material relationship with the Company, a Director is not independent if:

- The Director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company; provided, that employment as an interim Chairman or CEO or other executive officer of the Company shall not disqualify a Director from being considered independent following that employment.
- The Director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); provided, that compensation received by a Director for former service as an interim Chairman or CEO or other executive officer of the Company and compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) need not be considered in determining independence under this test.
- (A) The Director is a current partner or employee of a firm that is the Company's internal or external auditor; (B) the Director has an immediate family member who is a current partner of such a firm; (C) the Director has an immediate family member who is a current employee of such a firm and personally works on the

Company's audit; or (D) the Director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time.

- The Director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.
- The Director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues; provided that both the payments and the consolidated gross revenues to be measured under this test shall be those reported in the last completed fiscal year of such other company and that contributions to tax exempt organizations shall not be considered payments for these purposes; provided, however, that with respect to such contributions the Company shall make any disclosures required by the New York Stock Exchange Listing Standards.

An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home but shall not include, when applying the above look-back provisions, individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated. References to a company, including the Company, include any parent or subsidiary in a consolidated group as is relevant to any determination under these independent standards.

An independent Director must be free of any other relationship that in the opinion of the Corporate Governance Committee would interfere with the exercise of independent judgment as a Director.

Members of the Audit Committee, Executive Compensation Committee and Corporate Governance Committee may not receive, directly or indirectly, any fees from TJX other than those described below under "Board Compensation Policy and Stock Ownership." No independent Director or immediate family member of an independent Director may provide personal services for compensation to TJX.

(h) *Non Independent Directors.* The Board of Directors believes members of senior management, in addition to our Chief Executive Officer, and other individuals who may not meet the above definition of independence, may be valuable Directors. In addition, the Board of Directors believes that it may be beneficial to the discharge of their duties as Directors for managers that do not serve on the Board of Directors to nonetheless attend board meetings on a regular basis.

(i) *Directors Who Change Their Job Responsibility.* When a Director's principal occupation or business association changes during his or her tenure as a Director, that Director shall tender his or her resignation from the Board of Directors. The Board of Directors does not believe that such Directors should necessarily leave the Board. There should, however, be an opportunity for the Board of Directors to determine whether to accept a Director's resignation in such circumstance. The Corporate

Governance Committee will make a recommendation to the Board with respect to the Director's continued membership after evaluating, among other things:

- the Director's past performance and expected future contribution;
- the Director's willingness and ability to continue to meet the responsibilities of being a Director; and
- the reasons for the change in the Director's job responsibility

Whether a former Chief Executive Officer of the Company should continue as a Director after leaving the CEO position should also be determined by the Board of Directors at the time in consultation with the new Chief Executive Officer.

Each Director should advise the Corporate Governance Committee in advance of accepting an invitation to serve as a member on another board of directors.

(j) *Director Term Limits and Tenure.* The Board of Directors does not believe it should establish term limits. Term limits could force the departure of Directors who have developed increasing insight into TJX and its operations over time, causing the Board to lose the benefit of their contributions. The Board of Directors also believes it is important to have fresh ideas, perspectives, and viewpoints available to the Board; to assure that the Board's composition is aligned with the changing needs of the Company; and that the Board be composed of highly engaged Directors.

(k) *Advance Contingent Resignation to Address Majority Voting.* As a condition of nomination, each incumbent Director proposed to be nominated by the Board will deliver to the Secretary of the Company an irrevocable contingent resignation at least fourteen days in advance of the distribution date for proxy solicitation materials for the stockholders meeting at which such Director is expected to be nominated to stand for election. Such resignation will be effective only if such Director fails to receive the requisite majority vote in an uncontested election as provided in the by-laws, and the Board accepts such resignation.

If, after the results of an uncontested election have been certified, any incumbent Director nominee fails to receive the requisite majority vote, the Corporate Governance Committee will, within 60 days of the date of such certification, evaluate the circumstances of the failed election and make a recommendation to the Board with respect to such nominee's resignation. The Board will, within 90 days of the date of such certification and after consideration of the recommendation of the Corporate Governance Committee, make a determination with respect to whether or not to accept such nominee's resignation and/or to take such other action as the Board determines appropriate. The Corporate Governance Committee in making such recommendation and the Board in making such determination shall evaluate the best interests of the Company and its stockholders and may consider any factors they deem relevant. The Board will promptly notify such nominee of its determination, and the Company will publicly disclose such determination.

Any incumbent Director nominee who fails to receive the requisite majority vote in an uncontested election will remain an active Director during the preceding process. Such Director will not, however, participate in the proceedings of the Corporate Governance Committee or the Board with respect to the subject of his or her resignation. However, if

each member of the Corporate Governance Committee fails to receive the requisite majority vote in the same uncontested election, then any independent Directors who received the requisite majority vote in such election will appoint a committee to make recommendations to the Board with respect to whether or not to accept the resignations.

However, if all independent Directors fail to receive the requisite majority vote in the same uncontested election, then all independent Directors shall participate in and make the determination regarding whether or not to accept the resignations.

## **II. Board Compensation and Performance**

(a) *Board Compensation Policy and Stock Ownership.* We believe our compensation and benefits for non-employee Directors should be competitive. The Corporate Governance Committee shall from time to time review the compensation and benefits of the Company's non-employee Directors in comparison to such peer and other companies as it determines appropriate and shall recommend to the Board of Directors proposed compensation and benefits for non-employee Directors. We believe that Directors should receive significant compensation in the form of stock or stock based instruments in order to align their interest with those of stockholders.

(b) *Evaluation of Board Performance.* The Board and each of its Committees will perform an annual self-evaluation. The process will be overseen by the Corporate Governance Committee, which will report to the Board of Directors annually. The evaluation should include (i) composition and independence of the Board, (ii) access to and review of information from management, (iii) responsiveness of the Board to stockholder concerns and (iv) maintenance and implementation of these Corporate Governance Guidelines.

(c) *Orientation and Continuing Education.* The Board of Directors has an orientation and continuing education process for directors consisting of background written material on TJX, meetings with and presentations by senior management, tours of the facilities and training on their fiduciary responsibilities and liabilities.

(d) *Interaction with Institutional Investors, Press, Customers, Etc.* The Board of Directors believes that management should speak for TJX. Individual board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with TJX, but it is expected that these members would do this with the knowledge of management and, in most instances, at the request of management. Comments by the Board of Directors, if deemed necessary by the Board of Directors, should be made by the Chair of the Board unless the Board determines otherwise.

Directors shall comply with the Company's policies on disclosure of confidential information.

## **III. Meetings of the Board of Directors**

(a) *Scheduling and Selection of Agenda Items for Board Meetings.* The Chair of the Board, the Chief Executive Officer and the Lead Director will establish the agenda for each Board meeting and distribute it in advance to Board members. Each Director is free to suggest the inclusion of items on an agenda, to raise at any Board meeting subjects that are not on the agenda for that meeting or to request the presence of or a report by any member of management and may raise them if they so choose with the

Lead Director. During at least one Board meeting each year, the Board of Directors will be presented the long-term strategic plan for TJX and the principal issues that management expects the Company to face in the future.

(b) *Board Material and Presentations.* Information and data that is important to the understanding of the business and matters to be considered at the Board meeting should generally be distributed in writing sufficiently in advance so Directors can be well prepared for the meeting. Material should be succinct and focused. All Directors are expected to review this information in advance of meetings.

The Board of Directors encourages management to invite managers to present at Board meetings who (i) can provide additional insight into the specific matters being discussed because of personal involvement in these areas or (ii) have future potential and should be given exposure to the Board of Directors.

(c) *Participation in Meetings.* Board members should prepare for, attend and participate in all Board and applicable Committee meetings. All Directors are expected to ensure that other existing and planned future commitments do not materially interfere with their service as directors including attendance at meetings. In addition, it is our policy that all Directors standing for election are expected to attend the annual meeting of stockholders.

(d) *Access to Management and Independent Advisors.* Each Director has complete access to TJX's senior managers and is encouraged to meet with them without senior corporate management. The Board of Directors and its Committees may hire consultants and advisors at their discretion and at TJX's expense.

(e) *Meetings of the Independent Directors.* The independent Directors will meet separately at each regularly scheduled Board meeting. They may meet separately at such other times as determined by the Lead Director. The non-management directors will meet separately at regularly scheduled meetings determined by the Lead Director.

#### **IV. Committees of the Board of Directors**

(a) *Number of Committees.* Our Board of Directors will establish committees from time to time to facilitate and assist in the execution of its responsibilities. We currently have five committees: the Audit Committee, the Corporate Governance Committee, the Executive Committee, the Executive Compensation Committee and the Finance Committee. All members of the Audit, Corporate Governance and Executive Compensation Committees will be independent directors and will satisfy the New York Stock Exchange independence requirement. The Charters of all Committees are available on our website.

(b) *Assignment and Term of Service of Committee Members.* The Corporate Governance Committee is responsible for recommending to the Board for its approval qualified individuals to serve as committee members and as committee chairs on the various Board committees. The Committee considers the experience of the individual members and the overall balance and composition of each committee.

(c) *Frequency and Length of Committee Meetings and Committee Agenda.* The Committee Chair, in consultation with the other Committee members, will determine the frequency and length of Committee meetings and, with appropriate members of

management and staff, develop the agenda for Committee meetings. The meeting minutes of the Committees will be shared with the full Board of Directors.

## **V. Leadership Development**

(a) *Formal Evaluation of Chief Executive Officer.* The Corporate Governance Committee should evaluate the Chief Executive Officer annually based on clearly articulated criteria, including performance of the business, accomplishment of long-term strategic objectives, development of senior management and the Chief Executive Officer's annual personal goals. The evaluation shall be communicated to the Chief Executive Officer by the Chair of the Board or, if the Chair is not an independent director, by the Lead Director.

The evaluation will be used by the Executive Compensation Committee in determining the compensation of the Chief Executive Officer.

(b) *Succession Planning and Management Development.* The Chief Executive Officer shall review succession planning and management development with the Board of Directors on an annual basis. This succession planning includes the development by the Corporate Governance Committee of policies and principles for selection of the Chief Executive Officer, including succession in the event of an emergency or retirement.

## **VI. Stock Ownership Guidelines for Directors and Executive Officers**

Non-employee directors are expected to attain ownership of the Company's common stock with a fair market value of not less than five times their annual retainer within five years from the respective dates of their initial election to the Board.

The Chief Executive Officer and the Executive Chairman are each expected to attain ownership of the Company's common stock with a fair market value of not less than six times his or her annual base compensation, and the President (unless also the Chief Executive Officer), the Chief Financial Officer and each Senior Executive Vice President is expected to attain ownership of the Company's common stock with a fair market value of not less than three times his or her annual base compensation. At age 62, such ownership guidelines are reduced by fifty percent.

Executives are expected to make steady progress toward the ownership guidelines and to attain them within five years from their respective dates of hire for or promotion to the above positions.

The ownership guidelines will be administered by the Corporate Governance Committee in its discretion.

## **VII. Amendments and Waivers**

The Board of Directors shall retain the authority to amend or waive any provision of these Corporate Governance Principles.