

2019/2020 Code of Business Conduct and Ethics

THE MICHAELS COMPANIES

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Code of Business Conduct and Ethics

2019/2020

A Message from Mark Cosby

As the leader in our industry, it is important that we build and maintain a solid reputation as a Company. We run our Company with a set of core values – one of which is to Do the Right Thing. Our Customers, Team Members and Shareholders rely on us to Do the Right Thing in how we conduct our day-to-day business.

We make business decisions every day that touch the lives of others and impact how our Company is perceived. We Do the Right Thing by conducting ourselves with the highest personal and professional standards.

Please read the 2019/2020 Code of Business Conduct and Ethics. Think about how the guidelines apply to you and your role. If you have questions, talk to your supervisor at any time. Thank you for your role in helping our company maintain its reputation for integrity and ethics.

Mark S. Cosby

A handwritten signature in black ink, appearing to read 'm/cosby', with a stylized flourish at the end.

Chief Executive Officer – The Michaels Companies

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About the Process

The Code of Business Conduct and Ethics (“the Code”) is updated annually and distributed to all Team Members at the Support Centers, District Managers and exempt Team Members at Artistree and the Distribution Centers.

Annually, each officer and designated Team Members of the Company must:

- affirm that the document has been reviewed, indicating understanding and adherence to the policy; and
- disclose any existing or potential Conflicts of Interest by completing and submitting the Disclosure Form.

The acknowledgement process will occur electronically once you have completed reviewing this document.

After completing this year’s review of the Code of Business Conduct and Ethics, you can access the current document at any time under the Training tab on the Michaels Intranet Home Page.

This Code is designed to instruct Company officers and Team Members regarding our policies on business conduct and ethics. The information contained in this Code is not intended to represent all policies. In addition, officers and Team Members should be aware that the Company may revise, supplement or rescind any policies or portions of this Code at any time as it deems appropriate, in its sole and absolute discretion. This Code is the Company’s property.

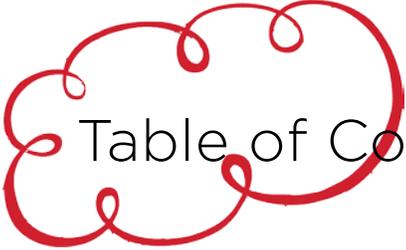


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Resources Quick Reference

In the U.S. and Canada, if you have questions, need approvals or would like to notify the Company of a possible violation of this Code, seek out the SVP - Human Resources or VP - Assistant General Counsel/Chief Compliance Officer. In the People's Republic of China (PRC) or Hong Kong, consult the VP - Assistant General Counsel/Chief Compliance Officer or Internal Controls Associate - Hong Kong and People's Republic of China.

You may also visit [3rd Party Anonymous Hotline website](#) OR call one of the numbers below to speak anonymously to a third party representative.

Location	Toll-Free Number
China (Mandarin)	400-9-916-464
China Hong Kong	800-96-1959
U.S. and Canada	1-888-226-3443

Ethical and Legal Standards

We must maintain the highest ethical and legal standards in our dealings with current and potential customers, suppliers, coworkers, stockholders, governmental employees, elected officials, competitors, neighbors, friends, the press and the general public. All business decisions must be lawful, without influence by personal interests and conducted according to the highest ethical standards. This includes honest, ethical and professional behavior and relationships.

These standards and practices are not meant to place unnecessary restrictions on conducting business, but merely to define what is or is not acceptable. All circumstances and all situations cannot be covered in one document but if there is ever any doubt, **ask before you act**. Our intention is always to do the right thing.

When faced with a questionable situation, you should ask yourself the following before you act:

- Do I have all the facts?
- What specifically am I being asked to do?
- Does it seem unethical or improper?
- What is my responsibility and role?
- Have I discussed the situation with my supervisor?
- Should I seek guidance from someone other than my supervisor?
- Have I called the 3rd Party Anonymous Hotline, available 24/7?

Definition of Relative

In this document, the term “relative” refers to your relatives by blood, marriage or adoption and not more remote than a first cousin.

Compliance - Laws, Rules and Regulations

Obeying the law, both in letter and spirit, is the foundation of our ethical standards. You are not expected to know all the details of all applicable laws, but it is important to know when they may apply, and that you ask for clarification as appropriate.

Such laws include:

- Labor laws
- Occupational safety and health regulations
- Building, safety and fire codes
- Employment discrimination or harassment
- Wage and hour laws
- Environmental programs
- Laws related to bribery and kickbacks
- Federal and state securities laws

If a law, rule or regulation is unclear to you, seek advice from the SVP - Human Resources or VP - Assistant General Counsel/Chief Compliance Officer. Also, consult your handbook or policies specific for your location and division for more information.



Patty, a Support Center Team Member, was helping to unload a holiday truck at a local store. She knows there are regulations and rules regarding safety but this isn't something that she does every day. She should ask someone with the appropriate experience about any safety rules that might apply.

Bribery

Offering, promising, receiving or paying bribes (directly or indirectly) in any form to anyone is strictly prohibited and against the law, in both the U.S. and abroad. If you are confronted with an expressed or implied request for a bribe from anyone, or if you believe you have been offered a bribe, you must immediately bring the request to the attention of the most senior level officer within your department, SVP - Human Resources or VP - Assistant General Counsel/Chief Compliance Officer.

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Opportunities and Conflicts of Interest

You cannot personally benefit from opportunities made available to you through your position at the Company. In business matters, you have the responsibility to act solely for the Company's benefit. You are expected to remain free of interests which are, or appear to be, detrimental to our best interests. Avoid all real or potential inappropriate uses of corporate opportunities and conflicts of interest, especially those that could impact your own or the Company's image or reputation.

Some examples could include:

- If you have the authority to purchase goods or services, you may not enter into a business partnership (including silent partnerships) with any vendor.
- You may not have a full-time or part-time employment, consulting or similar relationship with any direct competitor of the Company (including but not limited to A.C. Moore, Hobby Lobby or Jo-Ann Stores).
- You must disclose if any relatives have full-time or part-time employment, consulting or similar relationship with any vendor or competitor of the Company (including but not limited to A.C. Moore, Hobby Lobby or Jo-Ann Stores).

This Code cannot list all possible situations. The objective is to prevent actual wrongdoing or the possibility or appearance of any wrongdoing. If you find that you could be involved in any possible situations or conflicts of interest, or the appearance of any such conflicts, you should provide full disclosure of the circumstances to the most senior level officer within your department, SVP – Human Resources or VP – Assistant General Counsel/Chief Compliance Officer. You should also disclose such situations on the Disclosure Form after your review of this Code.



Hank has been a Category Director for years and recently began doing business with an up and coming vendor. Because of his knowledge of the industry, the new vendor asked if he could recommend a good account “rep” that could represent their product line. Knowing that he plans to place a very large order with this vendor and would benefit in negotiations, he declined the request and suggested that the vendor network with others to find representation.

It would be a Conflict of Interest because Hank's business would benefit from the recommendation.

Outside Interests:

We expect your complete attention while you are on the job. If an outside interest interferes with your time, attention or performance while conducting business for the Company, it is a Conflict of Interest.

Holding an investment in a customer, supplier or competitor could create a Conflict of Interest or the appearance of a conflict. However, as a general rule, a conflict is not created by owning shares in a mutual fund or through holdings of less than 1% of the outstanding shares of a company's publicly traded securities.

If you have other employment that is related to the sale of merchandise services or products that are offered by the Company that is a Conflict of Interest. "Employment" includes personal work effort, direction or training of others or advice for any form of compensation.

If you believe that an outside interest could potentially fall into one of these categories, you should disclose those holdings on the Disclosure Form after your review of this Code.



Mark works on the Accounting team at the Support Center. He also operates a personal tax preparation service which keeps him very busy in February, March and April. He knows that his workload lessens during those months and is able to maintain his deadlines and work at the office.

This is currently not a Conflict of Interest. It would become a problem if Mark began soliciting business from his coworkers or worked on his business during Company business hours.

Company Information:

- Do not use Company proprietary, "inside," privileged or customer information to benefit yourself, or any of your relatives or friends. This includes selling or providing information to outsiders, or using the information in any other manner to further your interests or the interests of any of your relatives or friends.
- Do not provide merchandise, work, equipment or any service to the Company for your personal gain or engage in any other business transaction with the Company that is in addition to your basic Company employment.

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Relationships

- Do not actively engage in a business transaction on behalf of the Company with a relative or with a firm in which a relative is a principal or an officer.
- Do not engage in any action with a superior or subordinate which could lead to your gain or personal favor as a result of your or your superior's power or influence.

Improper Use of Corporate Assets

Company property (e.g. merchandise, supplies or equipment) should not be misappropriated for personal use. Theft, negligence and misuse of assets impact our profitability. Any suspected incident of fraud or theft, or any questions regarding this policy should be directed immediately to the most senior level officer within your department, SVP - Human Resources, EVP - General Counsel or VP - Assistant General Counsel/Chief Compliance Officer.



George, a District Manager, was visiting stores in his District. His cell phone is a Company phone but he needs to make a personal call. This situation is approved use of Company property.

This is not a Conflict of Interest. Whether you are in the office on a Company phone or in the field, limited personal calls are permitted.

Environmental Compliance

We strive to be an environmentally responsible corporate citizen and to operate our facilities in compliance with applicable environmental, health and safety regulations and in a manner that has the highest regard for the safety and well-being of our Team Members and the general public. Necessary permits, approvals and controls are maintained at all of our facilities.

You are responsible for complying with all applicable environmental laws and regulations and Company policies. We also insist that our suppliers and contractors follow appropriate environmental laws and guidelines.

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Serving on Boards of Directors

- Officers at or above the Senior Vice President level may **NOT** serve as a director or advisor for the board of directors of a for-profit company without the prior approval of our Board of Directors.
- All other Vice Presidents and Team Members may **NOT** serve as a director or officer of the board of directors of a for-profit company without the prior approval of the Chief Executive Officer.

Fair Dealing

Competition and Fair Dealing

We strive to outperform our competition fairly and honestly. You must not engage in or tolerate unethical or illegal business practices or tolerate any unauthorized use of our competitors' proprietary information or trade secret information. You are responsible for compliance with applicable antitrust laws, as well as laws in connection with our marketing and advertising.

You and any Company representatives may not engage in any activities that:

1. are designed to reach an understanding with competitors concerning prices, production methods or division of customers;
2. are designed to reach an understanding with vendors regarding reciprocal buying and selling; or
3. result in other prohibited activity such as illegal price discrimination or trade restraints.

Additionally, we must not talk to our competitors about prices, marketing practices, other competitors, vendors, geographic regions or market allocation.

You are not to make any statements or written records, even in jest, that suggest a proposed course of action will eliminate competition. If you fail to comply with the antitrust laws, it can jeopardize our reputation and business interests, in addition to your own career. Antitrust violations can result in severe criminal and civil penalties, including fines for corporations (up to \$10 million) and fines and jail terms for individuals (up to \$350,000 or imprisonment up to three years).

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During a conversation with a vendor, Henry learned that one of our competitors was designing a new holiday product that was expected to be a huge win for that company. Although he's curious, Henry must not ask the vendor about the product.

It is not ethical to use your influence to learn the pricing, when the product is expected to hit the stores, or any other information providing an unfair competitive advantage.

Relationships with Vendors and Suppliers

Ethical buying practices require making objective business decisions on the basis of price, quality and availability of goods and services, and must never be influenced by personal relationships. All transactions must be fully and accurately documented with appropriate paperwork.

- Don't allow your personal bias to influence the selection or rejection of a particular supplier, product or service. You must be objective when making business decisions for the Company.
- Don't discontinue business transactions with current vendors without a discussion with, and approval by, a senior level officer within your department. Vendor decisions can have serious implications and influence many lives.
- Don't solicit charitable donations from vendors, with the exception of those sponsored by the Company.



Sharon, the Category Director for Kid's Crafts, is organizing a children's event for her church. All the proceeds will support Michaels CARES, a non-profit organization. Sharon knows that one of her vendors would be willing to donate product because they want to keep our business.

Although it's for a good cause, it is a Conflict of Interest. The vendor could interpret this request as a favor that could lead to more business.



As a general rule, do not accept, or permit any relative to accept, any gifts, gratuities or other favors from any customer, supplier, vendor or others doing or seeking to do business with us. Accepting these items may be interpreted as an obligation from the recipient to the provider.

For Team Members in the U.S. and Canada, any gifts valued over \$50 should be returned immediately and reported to your supervisor. If immediate return is not practical, give it to SVP – Human Resources or VP – Assistant General Counsel/Chief Compliance Officer for charitable disposition as they, in their sole discretion, believe appropriate.

It's acceptable for officers and Team Members to exchange social amenities with suppliers and customers ONLY when based on clear business purpose, common sense and moderation. You should only engage in business entertainment with anyone doing business with us if the entertainment is modest, intended to serve legitimate business goals and in compliance with applicable law.

It is NOT acceptable, unless approved in advance by the Executive Committee officer for your department, to accept tickets to sporting events, golf outings, concerts and similar entertainment. Advance written approvals for any officers at or above the Senior Vice President level must be obtained from the Chief Executive Officer.

It is acceptable to receive items commonly exchanged in business relationships, such as reasonably priced (for the location) meals, beverage items, seminars and educational events as long as it relates to business.

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Other examples of gifts, entertainment or other favors being offered to Team Members that are Acceptable, Not Acceptable or Require Discussion/Approval:

	<p>Acceptable: Pam, from a local consulting company that you regularly work with, drops off a large pastry basket to thank you for your business. Perishable gifts like a food basket can be accepted and shared with the whole team without any one Team Member benefiting.</p>
	<p>Not Acceptable: Angie, the administrative assistant for a VP, is given 2 theatre tickets by a vendor as a “thank you” for setting up an introductory meeting. This would not be acceptable and could be interpreted as an expectation from the vendor and put Angie in an awkward position if the vendor makes any future requests.</p>
	<p>Requiring Discussion/Approval: At a Trade Show in Chicago discussing new products, a vendor invites Bob, a Category Manager, to a Cubs baseball game where they can further discuss potential business opportunities between the companies. Bob can accept the invitation but must have written approval from the SVP – Human Resources or VP – Assistant General Counsel/Chief Compliance Officer.</p>

For Team Members in the People’s Republic of China (PRC) and Hong Kong, please consult the Gift, Hospitality and Entertainment Policy (applicable in the PRC and Hong Kong).



Political Contributions

Our Board of Directors makes all corporate decisions related to political contributions and affiliations made by the Company.

You may participate in the political process and activities, express your personal views on legislative or political matters, and make personal political contributions but you must do this on your own time and at your personal expense. You must avoid relating any political reference to your affiliation with the Company, including on social media and make clear that you are acting in your personal capacity.

Team Members are also prohibited from:

- Allowing Company funds to be used for political campaign contributions without prior written approval of the Board of Directors;
- Keeping political payment funds or secret accounts hidden from corporate auditors; and
- Reimbursing any Company officer or other Team Member, agent or representative for personal political contributions; or become involved in covert political activity involving Company funds, assets or Team Members.

International Business

Doing Business Internationally - We must adapt to business customs and market practices in global markets, so all Team Members should respect and comply with the laws of the host country except in the case of conflicts between the local laws and applicable U.S. laws and regulations (such as the U.S. Foreign Corrupt Practices Act or FCPA).

Anti-Boycott Laws - It is against the law to cooperate in any boycotts between foreign countries not sanctioned by U.S. law. All requests for boycott support or boycott-related information must be reported.

Treasury Embargo Sanctions - Federal law prohibits U.S. companies and their subsidiaries from doing business with certain countries, organizations or agencies and certain individuals. Regulations vary depending on the country and the type of transaction, and these rules often change as U.S. foreign policy changes.

If you are aware of any sensitive political issues with a country in which we are doing or considering doing business, seek advice from the most senior level officer within your department or SVP - Human Resources or VP - Assistant General Counsel/Chief Compliance Officer before engaging in a potential transaction.

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Customs – As a general rule, importation of our products is subject to various customs rules, laws and regulations. In particular, physical importation of products into a country must usually comply with either (a) regulations that specify the import duties, value added tax, excise tax, and the like that may be payable in relation to our products; or (b) tax, bonding, or other similar regulations that govern “tax or duty free” shipments. You must be sure that all imports comply with these requirements, and that any information provided to customs and tax officials is accurate and truthful.

In addition to these specific laws, be aware that U.S. antitrust laws and certain employment laws apply to our international operations. You should conduct overseas activities in an ethical and professional way that contributes to the Company’s expansion and development in all such locales.



Embargos: Mary sourced a really cool new product shipping from a foreign country that is currently under embargo by the U.S. government. She could arrange to have the product shipped first to a country that is not under embargo. She discussed the situation with the EVP of her division and they decided that would not be a good option. Even if this is 100% legal, it could open the door for accusations or perceptions of buying from an embargoed country.



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Foreign Corrupt Practices Act (FCPA)

Our Policy - All Team Members, whether located in the United States or abroad, are responsible for fully complying with all terms and requirements of the Foreign Corrupt Practices Act (“FCPA” or “Act”). All managers and supervisors are expected to monitor compliance with the FCPA.

If you become aware of possible FCPA violations, notify the President - Merchandising and Supply Chain or VP - Assistant General Counsel/Chief Compliance Officer.

Overview - The FCPA is a U.S. federal law that governs specific activities with respect to doing business internationally.

The Act contains two principal parts.

1. It is a criminal offense to pay, offer or give anything of value to a foreign official, a foreign political party or official or candidate for foreign office, for the purpose of influencing their decisions. This is true regardless of the fact that giving anything of value may be widely accepted or even necessary in the country in question.
2. The FCPA sets forth record keeping and accounting requirements. We must keep our books, records and accounts in reasonable detail, accurately and fairly reflecting all transactions and dispositions of assets. Covering up a transaction by mischaracterizing it on Company books and records (such as an expense account) is itself a separate violation of the FCPA.

Foreign Official - The FCPA defines a “foreign official” as any officer or employee of a foreign government or any department, agency or instrumentality of a foreign government. The term also includes any officer or employee of a public international organization such as the World Bank, officers and employees of foreign state owned companies, uncompensated honorary officials (if such officials can influence the awarding of business) and members of royal families who have proprietary or managerial interests in industries and companies owned or controlled by the government.

Furthermore, any person acting in an official capacity for any foreign government agency, department or instrumentality, or for a public international organization is a “foreign official.” An entity hired to review bids on behalf of a government agency is also covered by the term “foreign official,” even if it is a U.S. based entity. The FCPA also prohibits bribes to foreign political parties and their officials as well as to candidates for foreign political office.

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Dinners and Record-keeping: James wants to take several foreign officials to dinner and record the expense as a meal for himself and several coworkers. First of all, the dinner may be a violation of the anti-bribery provisions of the FCPA and the Code. Second, even if approved, in order to comply with the record keeping provisions you must be sure to record the expense accurately, including who was present and the purpose of the meeting.

James should reach out to the President of MSPC and VP - Assistant General Counsel/Chief Compliance Officer to understand the provisions.

Anything of Value - The use of the phrase “anything of value” means that the FCPA forbids not only money bribes but also bribes constituting such things as stock, entertainment, gifts, discounts on products and services not available to the public, offers of employment, assumption or forgiveness of debt, payment of travel expenses or personal favors. “Anything of value” means, quite literally, anything of value, as there is no exemption in the FCPA for items of nominal value.

Permissible Payments - Certain payments are permissible under the FCPA. Payments may only be made to follow routine government actions solely to expedite or secure the performance of: obtaining licenses, permits and other official documents to qualify to do business in a foreign country; processing governmental papers, such as visas and work orders; providing police protection, mail services and inspection of goods or of contract performance; providing telephone service, utilities, loading or unloading cargo and protecting perishable goods from deteriorating; and actions of a similar nature.

Facilitating payments or gifts may be made only if:

- The assistance requested and for which payment or gift is made, is clearly an action which the person receiving the payment is legally required to provide, and the payment is only to facilitate such action;
- Such payment is legal and customary in the foreign country in question;
- No reasonable alternative to making the payment exists; and
- The duties of the person receiving the payment are essentially pertaining to their governmental position.

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- Such payments must be approved in advance by the President – Merchandising and Supply Chain and the EVP – Chief Financial Officer. Approval will be given only after it has been determined that such payment is consistent with the criteria set forth in this document and with all other applicable laws. In any event, every effort should be made to avoid such payments.
- Various types of “promotional or marketing” payments may be made under the FCPA under certain circumstances. For example, certain reasonable, bona fide expenses incurred while promoting the Company to foreign officials, hosting a tour of foreign public officials at a Company facility or entertaining employees of a foreign state-owned firm may also be legitimate expenses under the FCPA. However, prior written approval is required from the President – Merchandising and Supply Chain before such expenses are made, in addition to any applicable approvals necessary under the Gift, Hospitality and Entertainment Policy (applicable in the PRC and Hong Kong).

Please note that some anti-bribery laws, including those in the PRC, do not permit facilitating payments as described above, and such payments are often considered illegal under local laws.



The Company has decided to open a branch in a new foreign country. Lewis, a Support Center Team Member, is in charge of getting the necessary permits and licenses and knows a consultant who can secure the permits on the Company's behalf and wants to hire them to “grease the wheels” of the foreign government. If the consultant bribes the foreign government on the Company's behalf, the Company will be in violation of federal, and possibly international, law.

Penalties for Violation

Sanctions for FCPA violations, or even a mere indictment for a potential violation, are severe and potentially devastating to the Company and to the individuals involved. Under the Act, criminal penalties for individuals include fines up to \$100,000 per violation or imprisonment up to five years, or both. Fines assessed against individuals will not be reimbursed by the Company.

In addition, violation of the FCPA or this Code as it relates to the FCPA shall lead to disciplinary action up to and including termination of employment.

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If you have any questions about the FCPA, please contact the VP - Assistant General Counsel/Chief Compliance Officer.

Hong Kong – Prevention of Bribery Ordinance (POBO)

Our Policy - Hong Kong Team Members are also responsible for fully complying with all terms and requirements of the Prevention of Bribery Ordinance (“POBO”). All managers and supervisors are expected to monitor compliance with the POBO.

If you become aware of possible POBO violations, notify the President - Merchandising and Supply Chain or VP - Assistant General Counsel/Chief Compliance Officer.

Overview - The POBO is a Hong Kong law that prohibits any private sector employee from soliciting or accepting an advantage without the employer’s permission, as an inducement to or a reward for doing an act in relation to the employer’s business. Offering an advantage to anyone (whether in the public or private sector) also violates the POBO.

Advantage - The POBO defines “advantage” widely and includes any gift (both of money and in kind), loan, reward, commission and any other service or favor. “Advantage” does not include entertainment which covers food or drink, for consumption on the occasion when it is provided, and any other entertainment provided at the same time.

If you have any questions about the POBO, please contact the VP - Assistant General Counsel/Chief Compliance Officer.

Books and Records

All books, records and accounts must fully and accurately reflect any payments and transactions of Company, including disposition of assets. No undisclosed or unrecorded fund or asset of the Company shall be maintained for any purpose.

No false or misleading entries shall be made in Company books or records for any reason. No transaction shall be effected, and no payment shall be made on behalf of the Company, with the intention or understanding that the transaction or payment is something other than as documented.

Questionable accounting or audit activities include, but are not limited to, any of the following:

- fraud in the preparation, evaluation, review or audit of any financial statement of the Company;
- fraud in the recording and maintaining of Company financial records;

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- noncompliance or deficiencies with respect to Company internal accounting controls over financial reporting or disclosure controls and procedures;
- misrepresentations made to or by any senior officer, accountant or outside auditor regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
- false or misleading reporting of Company financial condition.



Josh on the Training team needs to purchase a video camera. He knows that there is a Company policy requiring special approval for the purchase of equipment, and this video camera exceeds the policy limit. To save time and ensure that he can purchase the camera, Josh could have the vendor bill the item as “professional services” and charge it to the consulting budget. “Ask for forgiveness later, right?”

Not in this case. Josh would be providing false and misleading financial information as a fraudulent bookkeeping entry and a violation of our capital purchase policies.

Public Disclosures

We are often required to file reports and documents with the Securities and Exchange Commission (SEC) or other governmental agencies. Press releases and other public statements are also issued that include information about our business, financial condition and results of operations.

We strive to make full, fair, accurate, timely and understandable disclosure in any such reports and documents filed or submitted, as well as in press releases and public communications. The highest standard of care is exercised in preparing such materials.

Your cooperation and open communication with anyone involved in the preparation of these disclosures, including Legal, Investor Relations and our internal and outside auditors, is required. It is illegal to take any action to fraudulently influence, coerce, manipulate or mislead any independent, public or certified public accountant engaged in the performance of an audit of our financial statements.

Response to Media Inquiries

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In accordance with the Company Media Response Policy, all requests from the media for interviews or information should be forwarded to our Media Hotline: 972-409-7500, or PRContact@michaels.com. We will work to get the right information and help reporters meet their deadlines. You may not speak publicly for the Company unless specifically authorized by senior management.

Insider Trading

Federal securities laws forbid the purchase or sale of a security based upon "inside" information unavailable to the public. Federal securities laws also prohibit employers, directors, officers and employees from knowingly or recklessly failing to take steps to prevent the trading on, or tipping of, inside information by those whom they directly or indirectly control.

You should not trade securities, including publicly traded debt of the Company, based on material non-public information. In addition, Team Members are never to advise others to buy or sell Company securities. You also must not provide such non-public information to individuals outside of the Company. Only the Chief Executive Officer, Chief Financial Officer, VP - Treasury and Investor Relations and individuals specifically designated by them are authorized to discuss Company affairs with securities analysts, members of the press, or other persons who do not have a direct relationship with the Company.

Team Members who possess material information that has not been publicly disclosed, and which concerns the business, financial condition or results of Company operations, or any important development in which the Company is or may be involved, shall not buy or sell shares of stock or other securities (including publicly traded debt) of the Company (or puts, calls, options or other rights to buy or sell such securities) until a reasonable time after public disclosure of such inside information. You must not disclose such inside information to individuals not employed by the Company until a reasonable time after the Company publicly discloses the information (unless those individuals are covered by a Nondisclosure Agreement). Please note that material information disclosed inadvertently (e.g., an individual accessing material



Bill works in Inventory Management and is working with Category Management to place a substantial order on a new product line that is expected to perform very well during the holiday season. He knows that the vendor's stocks will sky-rocket when this becomes public information. Bill knows that money could be made if he bought stock now.

BUT this is "inside" information and he legally cannot purchase any stock in this company until a reasonable time after public disclosure.

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information from your unlocked or unattended work computer would also be a disclosure in violation of this Code.)

If you have questions regarding the potential sale or purchase of any Company stock or securities, or would like a copy of the trading calendar, please consult the Company's Insider Trading Policy and/or contact the VP - Assistant General Counsel/Chief Compliance Officer.

Social Media

Always remember that anything posted on social media sites is available to the public. It's important to protect the Company and the private information of our Team Members and customers on social websites. For more information about our Social Media Policy, please consult the Team Member Handbook in Michaels University.

Confidential Information

Proprietary Information

Our trade secrets, confidential or proprietary information and many other types of internal information are valuable assets. Protection of this information plays a vital role in our continued growth and our ability to compete.

Generally, a trade secret, such as information, knowledge or know-how, is treated as property, the possession of which gives the owner some advantage over competitors who do not possess the "secret." A trade secret must not be generally or publicly known; but it doesn't have to be trademarked to qualify as a trade secret.

All internal information regarding Company business is confidential and proprietary, regardless of whether or not it technically qualifies as a "trade secret."

With respect to Company confidential, proprietary or trade secret information, YOU MAY NOT:

- disclose this information to people outside of the Company (such as visitors, suppliers, relatives, friends, competitors, news media or analysts) unless those individuals are covered by a Nondisclosure Agreement;
- use this information for personal benefit or for the profit or benefit of persons outside of the Company; or
- disclose this information to other individuals associated with the Company except on a "need-to-know" basis and then only with an affirmative statement that the information is a Company trade secret.

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Individuals who have the “need-to-know” are those who can do their jobs properly only with knowledge of the proprietary or trade secret information.



Steve is a Product Designer who has recently designed a product to be sold in our stores. There are very high expectations for this product; not only is it the hottest trend, he was able to develop a low cost way to produce the product so that it is even more profitable. Steve has friends and family that are also designers and he is excited to share his project.

However, this information is proprietary and confidential. Steve is obligated to NOT share this information outside of the Company since it will impact sales, margin and product offering.

Our trade secrets and confidential or proprietary information are not always technical. Other examples of proprietary information would be Company business plans, research and new products; strategic plans; sales or margin information and any unpublished financial or pricing information; salary, wage and benefit data; Team Member listings; vendor lists; promotional plans; and organizational charts or corporate directories.

However, Team Members, contractors, and consultants may disclose trade secrets in confidence, either directly or indirectly, to a federal, state, or local government official, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, Team Members, contractors, and consultants who file retaliation lawsuits for reporting a suspected violation of law may disclose related trade secrets to their attorney and use them in related court proceedings, as long as the individual files documents containing the trade secret under seal and does not otherwise disclose the trade secret except pursuant to court order.

For Team Members in the PRC and Hong Kong, please also consult the [Data Protection Policy](#) (applicable in the PRC and Hong Kong).

When Your Employment Ends

If you leave the Company, your legal obligation is to protect and return trade secrets and confidential or proprietary information to the Company until such information becomes publicly available or the Company no longer considers it a trade secret, confidential or proprietary. You should also remember that correspondence, printed matter, electronic data, documents and other records

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of any kind specific to how we conduct business are the property of, and must remain at, the Company. The theft or misappropriation of trade secrets is a violation of federal law, and we will cooperate with any prosecution of these crimes to the fullest extent of the law.

Third Party Confidential and Proprietary Information

The policy regarding information about the Company applies equally to confidential or proprietary information or trade secrets belonging or relating to any customer, competitor, vendor, supplier, contractor, current or former employee or other person or entity that you may obtain information about in your capacity as a Team Member.

To comply with agreements we may have with our suppliers and rules and regulations regarding privacy relating to customers and Team Members, as well as to maintain Company relationships with these parties, you may not disclose information that these parties have entrusted to us on a confidential basis.

We do not condone the use or dissemination of confidential information obtained improperly or in a misdirected in-error manner (such as misdirected faxes or emails) about a competitor. If you come into possession of such information, you should contact the VP - Assistant General Counsel/Chief Compliance Officer immediately.

Do not copy, email, duplicate, scan, download or otherwise use confidential and proprietary third party information unless authorized by the VP - Assistant General Counsel/Chief Compliance Officer.



Karen is working on a new product line for our private brands and wants to solicit customers to participate in a focus group. She reaches out to her friend and coworker Evan, who she knows maintains a list of customer email addresses for the Michaels Rewards program.

Evan wants to help Karen, but he has an obligation to protect customer information from being inappropriately shared, even internally. Evan should contact the most senior level officer in his department before sharing with Karen.

Wiretapping, Eavesdropping, Tape Recording

You must comply fully with all laws governing wiretapping, tape recording and other forms of electronic surveillance. You may not use any electronic, mechanical or other device to engage in any unauthorized monitoring or recording of any oral or electronic communication. This includes, but is not

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limited to, using telephone extensions to overhear other individuals' conversations. It also applies to any interception of electronic mail or other electronic communications.

Reporting Illegal or Unethical Behavior

As a Team Member, you are responsible for prompt and consistent action regarding unethical or illegal behavior or suspected fraud. Many situations fall into a "gray area", it may not be apparent that it is a Code violation.

If you are approached...

Since every situation cannot be anticipated, it is important that you understand the best way to approach a new or sensitive question or concern.

If you are approached with a situation that could possibly be considered unethical or illegal, ask yourself:

- *Do I have all the details?*
- *What specifically am I being asked to do? Would my actions be, or might be perceived, unethical or improper?*
- *What is my responsibility?*
- *Have I discussed the issue with a supervisor?* This is the basic guidance for all situations. In many cases, a supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process early. It is the supervisor's responsibility to help resolve problems.
- *Should I seek help from management?* If it is not appropriate or comfortable to discuss the issue with a supervisor, talk to the most senior level officer in your department, the SVP - Human Resources or the VP - Assistant General Counsel/Chief Compliance Officer.

If you become aware...

If you become aware of conduct that you suspect is illegal, unethical, or fraudulent or violates this Code, go directly to the most senior level officer within your department or the SVP - Human Resources or the VP - Assistant General Counsel/Chief Compliance Officer. If you are uncomfortable talking with the people listed, the Company and our Audit Committee have established the 3rd Party Anonymous Hotline.

The hotline, is available 24 hours a day, 7 days a week at:

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2019/2020 CODE OF BUSINESS CONDUCT AND ETHICS

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Location	Toll-Free Number
China (Mandarin)	400-9-916-464
China Hong Kong	800-96-1959
U.S. and Canada	1-888-226-3443

Every individual associated with the Company has a duty to cooperate in investigations of alleged misconduct. Failure to cooperate is grounds for disciplinary action up to and including termination of employment.



Debbie confided to her coworker, Melanie, that during a recent visit, a vendor treated Debbie and her husband to dinner at one of the most expensive steak restaurants in town. Although she may not have all the details, this situation didn't seem right to Melanie so she confidentially asked her supervisor about it.

Her supervisor assured Melanie that she did the right thing. As signers of the Code, we all have a responsibility to report any known potential violations.

Human Rights

The Company recognizes the importance of maintaining and promoting fundamental human rights in all of our operations and throughout our supply chain. We operate under programs and policies that:

- provide fair and equitable wages, benefits and other conditions of employment in accordance with local laws;
- recognize employees' right to freedom of association • Provide humane and safe working conditions;
- prohibit forced or child labor; and
- promote a workplace free of discrimination and harassment.

We expect our suppliers and business partners to uphold these principles as well. Always check your actions to ensure that they do not violate or contradict any of the basic human rights principles noted above. If you suspect a human rights abuse at the Company or within our operations, please report it.

Harassment and Discrimination

We value a positive working environment and want to ensure that all Team Members have the best and most engaging experience possible. Your

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workplace should be free of any form of discrimination or harassment of anyone including Team Members, applicants for employment, contract employees, unpaid interns and volunteers as well as customers, vendors and shareholders based on their actual or perceived protected class (race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, pregnancy, age, sexual orientation, or military and veteran status).

We do not tolerate discrimination or sexual, psychological or other harassment of our Team Members by anyone.

Investigations

You are encouraged to provide reports of illegal or unethical behavior and questionable accounting or auditing activities, and we commit to conducting a fair, timely, complete and thorough investigation of your reports. A reasonable conclusion will be reached based on the evidence collected. We investigate all complaints, we will also investigate any information that may have been reported maliciously. You are expected to fully cooperate and assist in these investigations. Failure to cooperate in an investigation may lead to corrective action, up to and including the termination of employment.

Anti-Retaliation Policy

In good faith, we keep reports of illegal or unethical behavior and questionable accounting or auditing activities confidential, except as necessary to conduct an adequate review. We do not tolerate or condone retaliation of any type for reports of misconduct by others. Examples of retaliation could include, but are not limited to, a reduction in job responsibilities, an assignment to an undesirable shift, or an unfair performance review. A confirmed violation of this anti-retaliation policy could constitute a violation of federal or state laws.

If you believe that you have been retaliated against because you filed a complaint or cooperated in an investigation of alleged misconduct, you should immediately report the incident to the office of the SVP - Human Resources or the VP - Assistant General Counsel/Chief Compliance Officer. The report should be in writing and include the basis for this belief and the alleged retaliatory action.

Any Team Member who fails to disclose a reportable matter, knowingly makes a false report or violates the Code of Business Conduct and Ethics should expect disciplinary action varying from reprimand to termination, including recovery of losses (e.g., funds or property), caused by their actions.

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Business Fraud

Business fraud can be any act taken to cheat, trick, steal, deceive or lie can be considered fraud.

Here are just a few examples:

- theft of cash, merchandise or Company property;
- making false statements or claims;
- forgery or falsifying documents;
- taking kickbacks or offering bribes; or
- embezzlement or falsifying expense reports.

You Can Prevent Fraud, it's simple!

- Never share your Passwords, or leave your computer unlocked or unattended.
- Enter transactions like expense reports and invoices accurately and in a timely manner.
- Review reports you receive carefully, especially P&Ls, Exception Reports, or other key business reports for errors or unexpected items that could indicate a problem.
- Make sure the right people are authorizing and approving things like PO's, invoices, contracts, timesheets, and expenses.
- Lock your desk or office when you are not there.

Do the Right Thing

Our continued good name and reputation depends upon every officer and Team Member taking personal responsibility for following a strict code of business and ethical conduct. Your business conduct on behalf of the Company must be guided by your personal understanding of what is right and wrong, and by the Company rules and policies set forth herein.

Amendment and Waiver

We may find it appropriate to waive a provision of the Code of Business Conduct and Ethics on rare occasions. Any waivers must be approved in advance by the VP – Assistant General Counsel/Chief Compliance Officer. Waivers for executive officers or directors may only be made by the Board of Directors or by the Audit Committee of the Board of Directors. If a waiver is given, the Company will disclose the waiver as required by federal securities laws and NASDAQ rules. The Company reserves the right to amend this Code of Business Conduct and Ethics at any time.

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Next:
**The
Disclosure
form**

The Disclosure Form

You have now reviewed the 2019/2020 Code of Business Conduct and Ethics document. If you have any conflicts of interest, actual or potential, you must disclose this information each year through the Disclosure Form.

[Click here to access a Disclosure Form.](#) Follow the instructions on the form to submit to Human Resources.

During the year, if a situation arises, you must submit a Disclosure Form.

Approvals – If you are not a member of the Company’s Executive Committee, your form must be approved by the most senior officer in your division. The approver must be someone that does not benefit from the issue that is being disclosed. Confidentiality of any disclosures will be protected and only shared with the Company management as necessary.

For Executive Committee members, only the CEO may waive a provision of this Code. For the CEO, only the Board of Directors or a committee of our Board may waive a provision of this Code. Any waiver for these individuals may be promptly disclosed to the public and as required under laws and regulations applicable to the Company

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2019 / 2020 Disclosure Form

As a Team Member, you are expected to maintain the highest ethical standards and conduct yourself with both personal and professional integrity. The Company’s expectations are outlined in the Code of Business Conduct and Ethics document that is updated, distributed and acknowledged by all Team Members annually.

You are asked to disclose any situation that could be, or perceived to be, a conflict of interest related to your position including gifts, entertainment events, and affiliations with individuals that could be seen as a conflict of interest.

Instructions:

1. Review the Disclosure guidelines listed below.
2. Check the box to indicate the nature of your Disclosure.
3. Provide the necessary details in the chart below.
4. Sign the form.
5. Submit your form.

Team Member Information

Team Member Name* Position*

First Name Last Name

Supervisor Name* Your Email Address

First Name Last Name

to receive a confirmation email

Division*

TYPES OF DISCLOSURE

Gifts - Any “gifts” you received (over \$50 value) that were not approved by the Executive Committee officer for your department, or for Senior Vice President and above, the Chief Executive Officer. Gifts could be money, entertainment, tickets, gift certificates, commissions, loans and discounts on goods or services, vacations, use of condominiums or hotel accommodations, and any gifts given to you based on your position.

Affiliations/Relationships - List any family, personal or business relationships that you have with any vendors, suppliers, customers or competitors of Michaels or its subsidiaries.

Foreign Corrupt Practices Act (FCPA) - List situations that you may have encountered while conducting business internationally for the Company. (Sanctions for FCPA violations or even a mere indictment for a potential violation, are severe and potentially devastating to the Company and to the individuals involved. Under the Act criminal penalties for individuals include fines up to \$100,000 per violation or imprisonment up to five years, or both. Fines assessed against individuals will not be reimbursed by the Company.)

Other - List any other situations that should be disclosed based on the Code of Business Conduct and Ethics.