

THE MICHAELS COMPANIES, INC.

POLICY FOR RECOVERY OF INCENTIVE COMPENSATION

(adopted as of March 21, 2017)

In the event of a material restatement of the financial results of The Michaels Companies, Inc. (the “**Company**”) and the subsequent and reasonable determination by the Board of Directors of the Company (the “**Board**”) that a current or former named executive officer (as defined in Item 402 of Regulation S-K) of the Company engaged in knowing or intentional fraudulent or illegal conduct that materially contributed to the need for such financial restatement, the Board shall evaluate the circumstances and may seek to recover from the named executive officer up to all of the portion of such incentive compensation that (i) was received by or vested in the named executive officer during the period or periods restated and (ii) would not have been earned had the incentive compensation been based on the financial results as restated.

Before the Board may seek recovery from a named executive officer pursuant to this Policy, it shall provide such named executive officer written notice and an opportunity to be heard at a meeting of the Board or with a Board member designated therefor (which may be in person or by telephone as the Board or such member may determine).

In its administration of this Policy, the Board shall have full discretion to act (including recoupment or forfeiture) or not to act as it deems appropriate, taking into account such circumstances and other factors as it deems relevant. The Board’s determinations under this Policy shall be without prejudice to other remedies the Company may have for the adjustment or recovery of compensation, including, but not limited to remedies available under the Company’s plans, policies, programs, other relevant arrangements and applicable law.

For purposes of this Policy, “incentive compensation” means bonuses and incentive awards (including stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares or other stock-based awards) paid, granted, vested or accrued under any Company plan or agreement in the form of cash or Company common stock (including dividends (declared or received) on such Company common stock).

The Board may amend or supplement this Policy at any time and from time to time.