

THE MICHAELS COMPANIES, INC.
COMPENSATION COMMITTEE CHARTER
(as amended as of December 13, 2016)

Purposes

In order to assist the Board of Directors (the “Board”) of The Michaels Companies, Inc. (the “Company”) in making (a) determinations of whether compensation of the Company’s executive officers (as such term is defined below) is fair as contemplated by the Company’s Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”) and (b) recommendations to the Company’s stockholders with respect to compensation of the Company’s executive officers for approval by the holders of a majority of the outstanding shares of the Company’s common stock pursuant to the Certificate of Incorporation, the Compensation Committee of the Board (the “Committee”) shall: (1) recommend to the Board the Chief Executive Officer’s compensation level; (2) recommend to the Board, upon the recommendation of the Company’s senior management, the compensation levels of Company’s executive officers other than the Chief Executive Officer; and (3) make recommendations to the Board with respect to incentive-compensation plans and equity-based plans. For purposes of this Charter, the term “executive officer” shall mean any “officer” of the Company, as such term is defined in Rule 16a-1(f) (or any successor rule or regulation) under the Securities Exchange Act of 1934 and all rules promulgated thereunder.

In addition to the foregoing, the Committee shall: (1) review and discuss with management any Compensation Discussion and Analysis disclosure required to be included (whether directly or incorporated by reference) in any Annual Report on Form 10-K of the Company filed with the Securities and Exchange Commission (the “SEC”) and/or prepared in satisfaction of a contractual or other obligation of the Company (an “Annual Report”) and, based on this review and discussion, determine whether to recommend to the Board that the Compensation Discussion and Analysis disclosure be included in any such Annual Report; and (2) prepare a report on executive compensation for inclusion in the Company’s annual proxy statement in accordance with the proxy rules.

Composition of the Committee

Number. The Committee shall consist of no fewer than two members of the Board.

Independence and Status. Unless otherwise permitted by applicable phase-in rules and exemptions each member of the Committee shall satisfy the independence requirements of the Nasdaq Stock Market, and should generally qualify as an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code and a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934. In the event the Board determines that a director who does not qualify as an “outside director” or a “non-employee director” should nevertheless serve on the Committee, the Committee shall make

appropriate arrangements, including, but not limited to, delegation of matters to a sub-committee of the Committee comprised in accordance with Section 162(m) and Rule 16b-3.

Qualifications. Qualifications for Committee members that are desirable, but are not required, include experience in business management, executive compensation, employee benefits and human resources.

Appointment and Removal. The Board appoints Committee members and may appoint a Committee Chairperson from among those members. Each Committee member shall serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Duties and Responsibilities

The Committee has the following duties and responsibilities:

- **Executive Evaluation.** The Committee shall assist the Board in developing and evaluating potential candidates for executive positions (including the CEO) and oversee the development of executive succession plans.
- **Executive Compensation Policies and Programs.** The Committee shall review, recommend to the Board and administer the Company's compensation policies and programs for executive officers, including reviewing and approving corporate goals and objectives relevant to executive officer compensation, evaluate the executive officers' performance in light of those goals and objectives, with the deliberations and voting on the CEO's compensation to be conducted without the CEO present.
- **Director Compensation.** The Committee shall periodically review the status of Board and committee compensation policies and shall discuss the results of such review with the Board.
- **Chief Executive Officer Compensation.** The Committee shall recommend to the Board the Chief Executive Officer's compensation level based on such factors as the Committee deems appropriate.
- **Executive Officer Compensation.** On the recommendation of the Company's senior management, the Committee shall review and recommend to the Board the compensation level of the Company's executive officers other than the Chief Executive Officer.
- **Incentive Compensation Plans.** The Committee shall make recommendations to the Board with respect to the approval and adoption of all cash- and equity-based incentive compensation plans in which any executive officer of the Company participates.

- Equity-Based Plans. The Committee shall also make recommendations to the Board with respect to the approval and adoption of all other equity-based plans.
- Certain Other Plans. The Committee shall administer the Company's cash and equity-based incentive compensation plans and other plans adopted by the Board that contemplate administration by the Committee; *provided, however,* that the Committee will not administer or have oversight of the administration of any employee benefit plan subject to the Employee Retirement Income Security Act.
- Equity-Based Award Guidelines. The Committee may, from time to time, make recommendations to the Board with respect to guidelines for the grant of equity-based compensation awards to executive officers, other officers and employees.
- Regulatory Compliance. The Committee shall, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including overseeing any compensation programs intended to preserve tax deductibility.
- Employment Agreements and Severance Arrangements. The Committee shall review and make recommendations to the Board with respect to any proposed employment agreement with any executive officer of the Company, including newly-hired executive officers and officers promoted to executive officer positions. The Committee shall review and recommend to the Board guidelines with respect to severance or other termination payments to be made to executive officers of the Company and shall recommend to the Board any exceptions to those guidelines with respect to executive officers.
- Compensation of Newly-Hired and Promoted Executive Officers. The Committee shall review and recommend to the Board the initial compensation of newly-hired executive officers and officers promoted to executive officer positions.
- Review of Compensation Disclosure and Analysis. The Committee shall review and discuss with management any Compensation Discussion and Analysis disclosure required to be included (whether directly or incorporated by reference) in any Annual Report. Based on its review and discussion of any Compensation Discussion and Analysis disclosure, the Committee shall determine whether to recommend such disclosure to the Board for inclusion in any such Annual Report.
- Preparation of Compensation Committee Report. The Committee, with the assistance of management and any other advisors the Committee deems appropriate, shall prepare, to the extent required, a report on executive

compensation for inclusion in any annual proxy statement (or Annual Report, as applicable).

- Risk Assessment. The Committee shall review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.
- Review and Assess Charter. The Committee shall annually review and assess the adequacy of this charter and submit any changes to the Board for approval.
- Review and Assess Committee Performance. The Committee shall annually perform, or participate in, an evaluation of the performance of the Committee, the results of which shall be presented to the Board.
- Delegation of Authority. The Committee shall have the authority to delegate to subcommittees of the Committee any of the responsibilities of the full Committee and to officers of the Company such responsibilities of the full Committee as may be permitted by applicable laws, rules or regulations and in accordance with the listing standards set forth by the Nasdaq Stock Market.
- Board Reports. The Committee shall report its activities to the Board in such manner and at such times as the Committee or the Board deems appropriate.
- Say on Pay Vote. In carrying out its responsibilities under this Charter, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("Say on Pay Vote") required by the Securities Exchange Act of 1934, and any rules promulgated thereunder (the "Exchange Act"). The Committee shall also review and recommend to the Board for approval the frequency with which the Company will conduct Say on Pay Votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say on Pay Votes required by the Exchange Act, and review and approve the proposals regarding the Say on Pay Vote and the frequency of the Say on Pay Vote to be included in the Company's proxy statement.
- Other Delegated Duties or Responsibilities. The Committee shall perform any other duties or responsibilities delegated to the Committee by the Board from time to time.

Meetings

The Committee shall meet as frequently as necessary to carry out its responsibilities under this Charter. A designated member of the Committee, in consultation with the other members of the Committee and appropriate officers of the Company, may establish the agenda for each Committee meeting. Any Committee member may submit items to be

included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. Any two Committee members or the Chairperson of the Committee may call a meeting of the Committee upon due notice to each other member at least 48 hours prior to the meeting. A majority of the number of Committee members shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Certificate of Incorporation, the Company's bylaws or this Charter. The Committee may also take any action permitted hereunder by unanimous written consent.

The Committee may request any officer or other employee of the Company, or any representative of the Company's advisors, to attend a meeting or to meet with any member or representative of the Committee. Any individual whose performance or compensation is to be discussed at a Committee meeting may not attend such meeting unless specifically invited by the Committee. Any Committee member may be excused from a meeting to permit the remaining members of the Committee to act on any matter in which such member's participation is not appropriate, and such member's absence shall not destroy the previously established quorum for the meeting.

Resources and Authority

The Committee shall have the resources and sole authority, in the Committee's discretion, to discharge its responsibilities and to engage consultants, independent counsel and other independent advisors and to determine compensation for such advisors. In addition, by adoption of this Charter, the Board authorizes appropriate funding for the Committee, in the Committee's discretion, for the discharge of the Committee's functions and responsibilities. The Committee will have the sole authority to retain and terminate compensation consultants to assist in the evaluation of executive officer and director compensation and the sole authority to approve the fees and other retention terms of such compensation consultants. Before selecting or obtaining the advice of a compensation consultant, legal counsel or other adviser (other than in-house legal counsel), the Committee consider all factors relevant to the independence of such consultant, counsel or adviser from management, including the factors set forth in the Nasdaq Stock Market listing standards then in effect and any other applicable laws, rules or regulations. The Committee shall have the power to adopt, administer, amend or terminate compensation plans applicable to any class of employees of the Company and/or any subsidiary of the Company; provided that no adoption, amendment or termination of any compensation plan under which stock may be issued, or in which a member of the Board may be a participant shall be effective unless the same shall be approved by the Board and, to the extent required by law, by the stockholders; provided, further, that no adoption, amendment or termination of any compensation plan may be made that violates this Charter or any other committee charter of the Company.

Availability of Charter Upon Request

This Charter will be made available in print to any stockholder of the Company who submits to the Company a request for a copy of this Charter.