

**WHISTLEBLOWER POLICY
THE MICHAELS COMPANIES, INC.**

Section 301 of the Sarbanes-Oxley Act requires the Audit Committee of the Board of Directors (the “Board”) of The Michaels Companies, Inc. (the “Company”) to establish procedures for: (a) the receipt, retention and treatment of complaints received by the Board from associates regarding accounting, internal accounting controls, or auditing matters; and (b) the submission by associates of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting or auditing matters.

I. Procedures

The Audit Committee has adopted the following procedures:

- a.** Any associate of the Company may submit through an anonymous, confidential hotline (1-800-241-5689) any concerns about accounting, internal accounting controls, auditing matters or related violations of the Company’s Code of Conduct and Business Ethics (the “Code”). All such concerns submitted through the hotline will initially be reviewed and investigated by the General Counsel or the General Counsel’s designee.
- b.** Complaints regarding accounting, internal accounting controls or auditing matters deemed credible by the General Counsel or the General Counsel’s designee will be promptly forwarded to the Chairman of the Audit Committee. Complaints that are not deemed credible will be communicated to the Chairman of the Audit Committee no less frequently than quarterly.
- c.** Complaints relating to violations of the Code will be reviewed by the General Counsel or the General Counsel’s designee, as set forth in Subsection (a) above. If necessary and appropriate, the General Counsel may delegate the investigation of the complaint.
- d.** Following the receipt of any complaints submitted hereunder, the Audit Committee and/or the General Counsel will investigate each matter so reported and take corrective and disciplinary actions, if appropriate, which may include, alone or in combination, a warning or letter of reprimand, demotion, loss of merit increase, bonus, stock options or other stock awards, suspension without pay or termination of employment.
- e.** The Audit Committee and/or the General Counsel may enlist associates of the Company and/or outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints about accounting, internal accounting controls, auditing matters or violations of the Code. In conducting any investigation, the Audit Committee and/or the General Counsel shall protect the confidentiality and anonymity of the complainant.

- f.** The Company does not permit retaliation of any kind against associates for complaints submitted hereunder that are made in good faith.
- g.** Anyone filing a complaint concerning a violation or suspected violation of accounting, internal controls, auditing matters or the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
- h.** The Audit Committee and/or the General Counsel shall retain as a part of its records any such complaints or concerns for a period of no less than seven (7) years.

Dated: June 27, 2014