

## **STATEMENT OF PRINCIPLE**

Michaels Stores, Inc. is committed to providing the finest quality arts, crafts and home décor products and we are vigilant in our efforts to provide safe products for our customers, including proactive measures to test for the safety of children's products and toys at Michaels.

The Consumer Product Safety Improvement Act has set stringent new lead and phthalate requirements, and we know that parents rely on us to sell quality products that are safe for children. Michaels takes this responsibility very seriously. Since 2007, significant steps have been taken to enhance product safety, including:

- Extensive surveys of vendors who supply products to Michaels to determine compliance for each item they provide to us;
- Identification and screening of products and toys that may be used by children and required closer attention;
- Independent third party testing by certified laboratories of products that required closer inspection after being screened internally;
- Individual meetings with merchants and interviews with vendors to gauge their understanding of and compliance to the new regulations;
- Sponsorship and participation in an industry conference with hundreds of vendors to drive better understanding of the new regulatory landscape; and
- A thorough review of marketing materials for children, parents and schoolteachers to see that products recommended for children's use are compliant.

The safety of our customers is paramount. When issues surfaced over the quality of certain products manufactured in China in 2007, Michaels acted promptly to remove from our store shelves products with concerning levels of lead content – without waiting for the results of testing or for a recall to be announced.

Since that time, we have worked diligently to further enhance our commitment to safety. We are continuing to expand our product testing protocols and are establishing procedures that require vendors to submit satisfactory test results from certified laboratories before shipping products to Michaels. As a further precaution, we intend to implement random testing of products during 2009-2010.

We know how important it is to safeguard your family's health and we know that parents have real concerns about lead and phthalate exposure in children. Please be assured that Michaels shares your concerns and is taking proactive steps so that you can shop at Michaels Stores with confidence.

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