

Tuesday Morning Corporation
Stock Ownership Guidelines Policy
(Effective as of May 12, 2015)

Purpose

The Board of Directors (the “Board”) of Tuesday Morning Corporation (the “Company”) believes that it is in the best interest of the Company and its shareholders to align the financial interests of the Company’s executives and non-employee directors with those of the Company’s shareholders. To achieve this objective, the Board has adopted these minimum stock ownership guidelines (the “Policy”).

Applicability

This Policy is applicable to all non-employee directors and the following officers of the Company (the “Participants”): Chief Executive Officer, President and Chief Operating Officer, Executive Vice Presidents and Senior Vice Presidents.

Minimum Ownership Requirements

Participants must own shares of common stock of the Company in accordance with the following schedule:

<u>Position</u>	<u>Minimum Stock Value</u>
Non-Employee Directors	3x annual cash retainer
Chief Executive Officer	5x base salary
President and Chief Operating Officer	2x base salary
Executive Vice Presidents	2x base salary
Senior Vice Presidents	1x base salary

Satisfaction of Guidelines

For purposes of calculating stock ownership, the following sources may be included:

- shares of common stock owned outright by the non-employee director or officer, as well as stock owned by his or her immediate family members residing in the same household;
- shares of common stock held in trust for the benefit of the non-employee director or officer, as well as his or her family;
- unvested restricted stock or restricted stock units;
- if applicable, shares of common stock held pursuant to deferred compensation arrangements; and
- if applicable, shares purchased with amounts invested in the Company’s retirement plans, including, without limitation, the 401(k) plan and any employee stock purchase plan.

Unexercised options and unearned performance shares will not be counted toward such stock ownership requirements.

Valuation Methodology

The value of a Participant’s stock ownership requirement is based on his or her then current retainer or base salary. The value of the Participant’s holdings is based on the average closing

price of the Company's common stock for the 10 trading day period ending on the date of the Company's last annual shareholders meeting.

Retention Ratio

While the Participant is not in compliance with his or her stock ownership requirement, the Participant must retain 50% of the net shares (after cashless exercises of options and the payment of any applicable tax liability related to equity grants by the Company) of the vested long-term incentive plan shares or annual equity retainer awarded to Participant. Participants may immediately sell Company stock acquired by exercising stock options for the limited purpose of paying the exercise price of the stock option and may sell shares to pay any applicable tax liability related to equity grants by the Company.

Compliance with the Guidelines

Participants are required to achieve their stock ownership guideline within five years of becoming subject to the Policy. If a Participant's stock ownership guideline increases due to a change in title, a five-year period to achieve the incremental guideline begins in January following the year of the title change. Once achieved, ownership of the guideline amount must be maintained for as long as the individual is subject to this Policy.

There may be instances in which the Policy would place a severe hardship on the Participant or prevent the participant from complying with a court order. In these instances, the Participant must submit a request in writing to the Compensation Committee that summarizes the circumstances and describes the extent to which an exemption is being requested. The Compensation Committee will make the final decision as to whether an exemption will be granted.

Administration

The Compensation Committee shall be responsible for monitoring the application of this Policy. The Compensation Committee may, from time to time, temporarily suspend, reevaluate or revise the Policy to give effect to changes in the Company's common stock or other factors it deems relevant.