

Tuesday Morning

TO: Tuesday Morning Officers, Employees and Directors
FROM: Steve Becker
DATE: November 16, 2016
RE: Tuesday Morning Code of Business Conduct

For us to be successful in the marketplace, we must make sure the Tuesday Morning brand is synonymous with trust, integrity and high ethical standards. The business decisions we make have a dramatic influence on how we as a company are perceived by those who work for Tuesday Morning and those outside the company.

Each of you is accountable for living up to these high standards every day, in all of your actions. The Tuesday Morning Code of Business Conduct serves as a guide to the everyday professional conduct of our officers, employees and directors. Our company strives for the highest integrity, and this policy reinforces our philosophy.

Each year we re-issue this Code to show our commitment to business integrity and remind you of your responsibilities. Please review the Code thoroughly and sign the acknowledgement, which shows you understand the Code and are complying with it.

We encourage you to discuss any questions or concerns with the head for your department, the Senior Vice President — Human Resources, or the Senior Vice President — General Counsel.

**TUESDAY MORNING CORPORATION
CODE OF BUSINESS CONDUCT**

As of November 16, 2016

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INTRODUCTION TO THE CODE OF BUSINESS CONDUCT

Each of us has the right to expect Tuesday Morning Corporation and its representatives to conduct its business in accordance with legal standards and the highest ethical and moral conduct.

These standards of business conduct are expected from everyone associated with Tuesday Morning, whether you are a director, officer or employee (collectively, our “Associates”), and whether you work in any department or subsidiary of Tuesday Morning. This Code is intended not only to express Tuesday Morning’s ethical principles applicable to all of our Associates, but also to incorporate specific standards for the principal executive officer, principal financial officer, principal accounting officer, controller, and other officers performing similar functions. Because of these requirements, and because we expect our officers to be ethical leaders, a proportionally heavier responsibility is borne by those who are in positions that more directly influence Tuesday Morning’s policies and practices. Therefore, we expect our management not only to comply strictly with this Code, but also to lead by example, creating through their deeds and actions an environment within Tuesday Morning that promotes compliance with this Code by all Associates.

This Code establishes guidelines for ethical decision making in business. These guidelines are offered not because of doubts concerning the desire of those associated with Tuesday Morning to conduct business ethically, but because the pace and complexity of modern business activity can sometimes make it difficult to ascertain what is right and what is wrong. We know that this Code may not address every potential situation, so **an overriding principle of this Code is — if you don’t know — ask!**

CODE OF BUSINESS CONDUCT

Tuesday Morning's Associates must maintain the highest ethical and legal standards in their dealings with our customers, suppliers, fellow workers, stockholders, governmental employees, elected officials, competitors, neighbors, friends, the press and the general public. Only lawful, honest and ethical "arms length" behavior and relationships will safeguard our interests, stated policies, and reputation. The trust, respect and integrity of all people are assets that cannot be purchased. They must be earned over time but, unfortunately, could be lost quickly. That is why the business decisions of Tuesday Morning may not be influenced by personal interests and must be conducted according to the highest ethical standards.

I. POLICIES AND PROCEDURES

Tuesday Morning's Code sets forth the conduct expected of each of our Associates and must be observed in dealings with others. The standards and practices reflected in this Code are designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interests;
- full, fair, accurate, timely and understandable disclosure in reports and documents filed or submitted by Tuesday Morning to the Securities and Exchange Commission (the "SEC"), other governmental agencies and in communications made to investors;
- compliance with the letter and spirit of applicable laws, rules and regulations;
- prompt reporting of violations of this Code to the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel or Tuesday Morning's Ethic and Compliance Hotline; and
- accountability for adherence to this Code.

As individuals, we must abide by these standards and practices, and every level of operating management has the responsibility to monitor and enforce these standards throughout Tuesday Morning. You are personally responsible for your own conduct in complying with this Code. Nothing less than the attainment of these standards and practices will be accepted.

The standards and practices set forth in this Code do not cover all circumstances and all situations. **If there is ever any doubt, ask before you act.** Our overall intention is always to do the right thing.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Tuesday Morning's Associates must know and obey all applicable laws, rules and regulations of the states, countries and other jurisdictions in which we do business. This also pertains to our international sourcing operations and our business relations with international vendor partners and suppliers. If a law, rule or regulation is unclear to you, you should seek advice from the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel.

If a law, rule or regulation is unclear to you — ask for clarification!

III. CORPORATE OPPORTUNITIES AND CONFLICTS OF INTEREST

Our Associates are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or their position at Tuesday Morning. As long as you remain a Tuesday Morning Associate, your duty is to act in business matters solely for the benefit of Tuesday Morning. You are, therefore, expected to remain free of interests that are, or appear to be, harmful or detrimental to Tuesday Morning's best interests.

You owe a duty to Tuesday Morning to advance its legitimate interests when the opportunity to do so arises. Therefore, all real or potential inappropriate uses of corporate opportunities and conflicts of interest, which may tarnish your own, or Tuesday Morning's, image or reputation must be avoided. This includes any relationships or transactions that can be construed by others as favoritism or a conflict of interest.

- **YOU MAY NOT** have an outside interest that materially infringes on time or attention that should be devoted to Tuesday Morning's affairs, or so affects your energies as to prevent the application of your full abilities to the performance of your duties. Tuesday Morning provides you with compensation, a benefits package and the other resources that are needed for you to do high quality work. In return, Tuesday Morning expects you to focus your complete attention on Tuesday Morning while you are on the job.

Example

An individual in Tuesday Morning's Accounting Department operates a personal tax preparation service. During February, March and April, the individual's side business becomes so busy that the individual is unable to keep up with the demands of his/her primary job in Tuesday Morning's Accounting Department. This is inappropriate.

- **YOU MAY NOT** have a direct or indirect interest in, or relationship with, any individual outside of Tuesday Morning (an "outsider"), or with a person in a position to influence the actions of an outsider, which might be construed to:
 - make possible personal gain or favor to you or any of your relatives or friends due to your actual or potential power to influence dealings between Tuesday Morning and the outsider;

- render you partial toward the outsider for personal reasons, or otherwise inhibit the impartiality of your business judgment or your desire to serve only Tuesday Morning’s best interests;
- place you or Tuesday Morning in a problematic, embarrassing or ethically questionable position in the eyes of a customer; or
- reflect unfavorably on your integrity or that of Tuesday Morning.

Example

A Buyer is asked by a vendor who does not currently do business with Tuesday Morning for the name of a good “rep” who can represent their product line. Buyers must not recommend reps as this can appear to outsiders as personal bias and the only way to “get into” Tuesday Morning.

- **YOU MAY NOT** make use of information to benefit yourself, or any of your relatives or friends, by selling or making available such information to outsiders, or use the information in any other manner to further your interests or the interests of any of your relatives or friends. The term “relative” shall include your spouse, ex-spouse, lineal descendent or antecedent, brother, sister, adopted child or grandchild (including stepchildren), or the spouse of your child, adopted child, grandchild or adopted grandchild. This includes proprietary, “insider,” privileged or customer information entrusted to, or discussed by, you in the conduct of Tuesday Morning’s business.

Example

Various individuals within Tuesday Morning are frequently aware of Tuesday Morning’s marketing plans, company sales results, pending real estate deals, and other confidential matters. You may not share proprietary information with anyone who does not have a legitimate “need to know” for any reason.

- **YOU MAY NOT** have a direct or indirect interest or relationship that is actually or potentially harmful or detrimental to Tuesday Morning’s best interests.

Example

Individuals within Tuesday Morning with the authority to purchase goods or services may not have a personal relationship with a vendor, or enter into a business partnership (including silent partnerships) with any vendor, as this would create an actual or potential conflict of interest or the appearance of one.

- **YOU MUST DISCLOSE** any relationship with a relative, spouse or significant other who works for or has a financial interest in any company that competes with Tuesday Morning, seeks to do business with Tuesday Morning, or represents companies that seek to do business with Tuesday Morning. This disclosure must be in writing to your immediate supervisor, Tuesday Morning’s Senior Vice President – Human Resources and Senior Vice President – General Counsel. After receiving this notice, Tuesday Morning

will determine whether it is possible to avoid an actual or apparent conflict of interest through appropriate disclosure and controls.

- YOU MAY NOT provide merchandise, work, equipment or any service to Tuesday Morning for your personal gain, or engage in any other business transaction with Tuesday Morning supplementary to your basic company employment.
- YOU MAY NOT have any relationship with a superior or subordinate that could lead to your, or your relative's, personal gain or favor due to your or your superior's power or influence.
- NO EXECUTIVE OFFICER, OTHER OFFICER OR EMPLOYEE MAY serve as a director or official of the board of directors of a for-profit company without the prior approval of our Chief Executive Officer.

Our objective is not only to help prevent actual wrongdoing, but also to preclude the possibility or appearance of that happening. All individuals who may be, or may become, involved in any possible inappropriate use of corporate opportunities or conflicts of interest, or the appearance thereof, should make full disclosure of the circumstances to the most senior level executive within his or her department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President - General Counsel. Individuals to whom matters are disclosed will consult with the appropriate persons within Tuesday Morning, if necessary, and then advise the involved individual of Tuesday Morning's position with respect to the matter. You should be aware that it is not possible to give examples of all conceivable situations here that could give rise to potential inappropriate uses of corporate opportunities or conflicts of interest, or the appearance thereof.

If you are not clear as to what is right or wrong — ask!

IV. COMPETITION AND FAIR DEALING

Tuesday Morning strives to outperform its competition fairly and honestly. We will not engage in, or tolerate, unethical or illegal business practices such as stealing proprietary information or trade secret information. We must also obey Antitrust and Competition laws in all places that we do business. If in doubt, immediately ask the Senior Vice President – General Counsel for assistance. Antitrust and competition laws touch a number of our business relationships with suppliers, competitors and even our customers. For example, we may not reach formal or informal understandings with our competitors that affect prices, allocate sales territories, refuse to deal with suppliers, or otherwise effectively restrain trade. We also may not exchange information with our competitors about any of these issues.

V. RELATIONSHIPS WITH VENDORS AND SUPPLIERS

Ethical buying practices involve making objective business decisions on the basis of price, quality and availability of goods and services, and must never be influenced by personal

relationships. All transactions must be fully documented with appropriate paperwork completed accurately and thoroughly.

When you deal with suppliers (including service companies) on behalf of Tuesday Morning and/or its customers, facts dictate the decision — not personal relationships.

- YOU MAY NOT allow your personal bias to influence the selection or rejection of a particular supplier, product or service. You must be objective. You are not to allow business decisions for Tuesday Morning to be influenced by personal relationships.

Overall, if you are not clear as to what is right or wrong — ask!

VI. GIFTS, ENTERTAINMENT, SOCIAL AMENITIES

It should be no surprise that when you write purchase orders or make purchases on behalf of Tuesday Morning for equipment, merchandise, services, or other business your popularity increases. Everyone wants to have and keep your friendship. This can be characteristic of any buyer/vendor relationship. In an effort to keep a close relationship with a Tuesday Morning employee, vendors may offer money, entertainment, tickets, gift certificates, commissions, loans, and discounts on goods or services available only to you.

Vacations, invitations to participate in sports outings, use of condominiums or hotel accommodations or other travel services or benefits to keep your friendship, **especially if it is perceived that the friendship is important to you, are prohibited.** We know acceptance of some, or all, of these items or invitations puts serious pressure on the recipient to be obligated to the provider. It's just human nature. All buyer/vendor relationships must be objective and arm's length in nature in order to avoid all of the distractions. This will keep unnecessary pressure off you and the vendor.

In addition, in certain circumstances the giving of gifts or hospitalities by Tuesday Morning or its Associates can be considered to be bribery.

As a result of this, it is Tuesday Morning's policy that Associates of Tuesday Morning **may not give or accept** any items or invitations that might indicate intent to influence improperly the normal objective business relationship between Tuesday Morning and any supplier, customer, competitor, government agency, regulator or any other party with which Tuesday Morning does business. The exchange of social amenities is acceptable when based on a clear business purpose and within the bounds of good taste. It is acceptable to receive items commonly exchanged in business relationships, such as lunches, dinners, food and beverage items, seminars and educational events, as long as it relates to business. It is not acceptable, unless approved in advance by Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel, to give or accept tickets to sporting events, golf outings, concerts and similar entertainment unless the activity is directly related to a business seminar or association conference. These advance approvals for executive-level officers may be obtained from Tuesday Morning's Chief Executive Officer. Cash gifts (including cash

equivalents such as gift cards) or gifts having a value other than a nominal value are never acceptable.

There are some countries where refusal to offer or accept a gift would cause professional embarrassment or be a cultural insult. This is particularly true when you are a guest in another country, and the gift is something from that country offered as part of a public occasion. In these cases, the best practice is to discuss Tuesday Morning's policy with the foreign official, vendors or other parties prior to the meeting and in the event you feel compelled to give or accept the gift on behalf of Tuesday Morning, report it to Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel, and in the case of receipt, turn the gift over to Tuesday Morning immediately.

Once again, situations are rarely black or white — if you don't know — you must ask!

VII. DOING BUSINESS INTERNATIONALLY

While Tuesday Morning must adapt to business customs and market practices in global markets, all Associates should respect and comply with the laws of the host country except in the case of conflicts between the local laws and applicable U.S. laws and regulations (such as the U.S. Foreign Corrupt Practices Act or FCPA). The FCPA applies to individuals as well as corporations and provides for penalties of imprisonment and substantial fines.

No bribes

Tuesday Morning and our Associates are prohibited from offering, paying, or promising to pay or authorizing the payment of either money or anything of value, directly or indirectly to non-US government officials, political parties, or candidates for political office or any other person either inside or outside the United States to obtain, keep, or direct business or to secure any improper advantage by influencing the decisions of others.

You must not permit any Tuesday Morning vendor, service provider or other business partner to offer, pay, solicit or accept a bribe or a kickback on Tuesday Morning's behalf, and Tuesday Morning must take steps to ensure that our business partners do not engage in corrupt practices.

Recordkeeping

All books, records, and accounts (both domestic and overseas) must accurately and fairly reflect business transactions and dispositions of Tuesday Morning's assets. A system of internal accounting controls must be maintained to provide adequate corporate supervision over the accounting and reporting activities at all levels.

Anti-Boycott Laws

It is against the law to cooperate in any boycotts between foreign countries not sanctioned by U.S. law. All requests for boycott support or boycott-related information must be reported. Seek advice from the most senior level executive within your department or Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel for any questions concerning such boycotts and current countries affected.

Treasury Embargo Sanctions

The U.S. Treasury Department's Office of Foreign Assets Control, together with the U.S. State Department and the U.S. Commerce Department's Bureau of Export Affairs, prohibits U.S. companies and their foreign subsidiaries from doing business with certain countries and organizations/agencies and certain individuals. The regulations vary depending on the country and the type of transaction, and these rules often change as U.S. foreign policy changes. If you are aware of any sensitive political issues with a country in which Tuesday Morning is doing or considering doing business, seek advice from the most senior level executive within your department or Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel before engaging in a potential transaction.

Customs

As a general rule, importation of our products is subject to various customs and fiscal laws and regulations. In particular, physical importation of products into a country must usually comply with either (1) regulations that specify the import duties, value added tax, excise tax, and the like that may be payable in relation to our products; or (2) tax, bonding, or other similar regulations that govern "tax or duty free" shipments. You must be sure that all imports comply with these requirements, and that any information provided to customs and tax officials is accurate and truthful.

For additional information, see Tuesday Morning's U.S. Foreign Corrupt Practices Act Compliance Policy and Tuesday Morning's Trade Sanctions and Export Control Compliance Policy.

VIII. IMPROPER USE OF CORPORATE ASSETS

Tuesday Morning's assets, including employee time, may not be used improperly to enrich Tuesday Morning's Associates. Such a practice not only violates Tuesday Morning's ethical standards, but also may violate tax or other legal requirements. Accordingly, Associates may not misuse company assets, services or personnel for their personal gain; for example, using Tuesday Morning Associates to run personal errands while they are being paid by Tuesday Morning. Corporate property (e.g., merchandise, supplies or equipment) is not for personal use at any time.

Furthermore, theft, carelessness and waste of Tuesday Morning's assets have a direct impact on Tuesday Morning's profitability and should be avoided. Any suspected incident of fraud or theft, or any questions regarding this interpretation of this policy should be directed immediately to the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources, Tuesday Morning's Senior Vice President - General Counsel or Tuesday Morning's Ethics and Compliance Hotline.

IX. BOOKS AND RECORDS

No undisclosed or unrecorded fund or asset of Tuesday Morning may be maintained for any purpose. No false or misleading entries may be made in Tuesday Morning's books or records for any reason. No transaction may be effected, and no payment may be made on behalf of Tuesday Morning, with the intention or understanding that the transaction or payment is other than as

described in the documentation evidencing the transaction or supporting the payment. All books, records and accounts must fully and accurately reflect any such payment. All books, records and accounts must fully and accurately reflect the transactions of Tuesday Morning, and the disposition of Tuesday Morning assets must be fully and accurately recorded.

Tuesday Morning's records must be kept in accordance with generally accepted accounting principles and corporate finance and accounting policies with adequate internal controls established. No Associate may make any misleading statement to any auditor during the course of the auditor's examination of Tuesday Morning's books, records, accounts or financial statements. Tuesday Morning's outside auditors must be directed to advise Tuesday Morning of anything coming to their attention indicating that this Code is not being followed.

X. PUBLIC DISCLOSURES

Tuesday Morning is from time to time required to file reports and other documents with the Securities and Exchange Commission (SEC) or other governmental agencies. We also issue press releases and make other public statements that include financial and other information about our business, financial condition and results of operations. We endeavor to make full, fair, accurate, timely and understandable disclosure in any such reports and documents we file or submit, as well as in our press releases and public communications.

We require cooperation and open communication with our internal and outside auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate or mislead any independent public or certified public accountant engaged in the performance of an audit of our financial statements.

The laws and regulations applicable to filings made with the SEC, including those applicable to accounting matters, are complex. While the ultimate responsibility for the information included in these reports rests with senior management, numerous other Associates participate in the preparation of these reports or provide information included in these reports. We must maintain disclosure controls and procedures to ensure that the information included in the reports, if any, that we file or submit to the SEC is collected and communicated to senior management in order to permit timely disclosure of the required information.

If you are requested to provide, review or certify information in connection with our disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report any information that you believe should be considered for disclosure in our reports to the SEC.

If you have questions or are uncertain as to how our disclosure controls and procedures may apply in a specific circumstance, promptly contact the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel. We want you to ask questions and seek advice. Additional information regarding how to report your questions or concerns (including on a confidential, anonymous basis) is included below in this Code under the headings "Reporting

Illegal or Unethical Behavior” and “Procedures for Submitting Concerns About Accounting and Auditing Matters.”

XI. INSIDER TRADING

Federal securities laws forbid the purchase or sale of a security based upon "inside" information unavailable to the investing public. You should not trade securities (including publicly traded debt) of Tuesday Morning based on material non-public information. You also must not provide such non-public information to individuals outside of Tuesday Morning. Only the Chief Executive Officer, Chief Financial Officer and individuals specifically designated by them are authorized to discuss Tuesday Morning's affairs with securities analysts, members of the press, or other persons who do not have a direct relationship with Tuesday Morning.

Associates who know material information that has not been publicly disclosed, and which concerns the business, financial condition or results of operations of Tuesday Morning, or any important development in which Tuesday Morning is or may be involved, shall not buy or sell shares of stock or other securities (including publicly traded debt) of Tuesday Morning (or puts, calls, options or other rights to buy or sell such securities) until a reasonable time after public disclosure of such inside information. Associates also shall not disclose such inside information to individuals not employed by Tuesday Morning until a reasonable time after Tuesday Morning publicly discloses the information. In addition, Associates are never to advise others to buy or sell securities of Tuesday Morning.

For additional information, see Tuesday Morning's Insider Trading Policy. If you have questions regarding the potential sale or purchase of any stock or securities of Tuesday Morning, promptly contact Tuesday Morning's Senior Vice President – General Counsel.

XII. POLITICAL CONTRIBUTIONS

Tuesday Morning's Board of Directors makes all corporate decisions related to political contributions made by Tuesday Morning. Associates who participate in the political process, express their personal views on legislative or political matters, engage in political activities, and/or make personal political contributions must conduct such activities on nonworking time and at their own personal expense. Unless authorized by Tuesday Morning, Associates who engage in such political activities or make any public political statements must make clear that they are acting personally and not on behalf of Tuesday Morning.

YOU MAY NOT:

- allow Tuesday Morning funds to be used for political campaign contributions without prior written approval of the Board of Directors;
- keep political payment funds or secret accounts hidden from auditors;
- reimburse any Tuesday Morning Associate, agent or representative for personal political contributions; or

- become involved in covert political activity involving Tuesday Morning's funds or assets.

XIII. PROPRIETARY INFORMATION

Tuesday Morning's trade secrets, confidential or proprietary information and many other types of internal information are valuable assets. Protection of this information plays a vital role in Tuesday Morning's continued growth and our ability to compete.

Confidential information may include, but is not limited to financial information, potential acquisitions, sales and marketing strategies, product information, drawings, sketches, concepts, customer information (financial and otherwise), manufacturing sources and costs, research and new product plans; strategic plans; sales or margin information, and any unpublished financial or pricing information; vendor lists, and promotional plans that are maintained as confidential by Tuesday Morning and not readily available to the public or Tuesday Morning's competitors. This list, while not complete, suggests the wide scope and variety of Tuesday Morning's confidential information that must be safeguarded. You are expected to hold all confidential information and trade secret information in confidence and must not distribute or communicate to any person or business outside of Tuesday Morning without a clear business purpose.

Generally, a trade secret, usually in the form of information, knowledge or know-how, is treated as property, the possession of which gives the owner some advantage over competitors who do not possess the "secret." Information is protected as a trade secret as defined by applicable state trade secret laws. A trade secret must be secret, that is, not generally or publicly known; but it need not be patentable subject matter to qualify as a trade secret. All internal information regarding Tuesday Morning's business is confidential and proprietary, regardless of whether or not it technically qualifies as a "trade secret." With respect to Tuesday Morning's confidential, proprietary or trade secret information:

YOU MAY NOT:

- disclose this information to persons outside of Tuesday Morning, for example, by conversations with visitors, suppliers, relatives, competitors, news media, trade journals, business survey organizations, analysts or friends, etc.;
- use this information for your own benefit or for the profit or benefit of persons outside of Tuesday Morning; or
- disclose this information to other individuals associated with Tuesday Morning except on a "need-to-know" basis and then only with a positive statement that the information is a Tuesday Morning trade secret or confidential information. Individuals who have the "need-to-know" are those who can do their jobs properly only with knowledge of the proprietary or trade secret information.

In addition, to comply with agreements Tuesday Morning may have with its suppliers, and rules and regulations regarding privacy relating to customers and Associates, as well as to maintain

Tuesday Morning's relationships with these parties, you may not disclose information that these parties have entrusted to us on a confidential basis.

If you leave Tuesday Morning, your legal obligation is to protect and return trade secrets and confidential information to Tuesday Morning until such information becomes publicly available or Tuesday Morning no longer considers it a trade secret, confidential or proprietary. You should also remember that correspondence, printed matter, electronic data, documents and other records of any kind special to Tuesday Morning's way of doing things are all the property of, and must remain at, Tuesday Morning.

The federal Defend Trade Secrets Act of 2016 provides immunity in certain circumstances to Associates, contractors, and consultants for limited disclosures of trade secrets. Specifically, Tuesday Morning Associates, contractors, and consultants may disclose trade secrets:

- (1) in confidence, either directly or indirectly, to a Federal, state, or local government official, or to an attorney, "solely for the purpose of reporting or investigating a suspected violation of law," or
- (2) "in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal."

Additionally, Tuesday Morning Associates, contractors, and consultants who file retaliation lawsuits for reporting a suspected violation of law may also use and disclose related trade secrets in the following manner:

- (1) the individual may disclose the trade secret to his/her attorney, and
- (2) the individual may use the information in related court proceeding, as long as the individual files documents containing the trade secret under seal, and does not otherwise disclose the trade secret "except pursuant to court order."

XIV. DISCRIMINATION AND HARASSMENT

It is Tuesday Morning's policy to respect the personal dignity of all Associates. Associates should treat each other with courtesy and consideration and demonstrate professional conduct in all interactions with others.

Discrimination and harassment will not be tolerated at Tuesday Morning. We are committed to providing you with an environment free of any form of discrimination, including – but not limited to – harassment regarding race, religion, color, national origin, ancestry, citizenship, pregnancy, gender, age, sex, marital status, sexual orientation, sexual identity, physical or mental disability or medical condition, veteran status, genetics, military status, or any other category protected by applicable federal, state, or local law. Tuesday Morning will not tolerate or condone sexual or other harassment of or retaliation against its Associates by officers, managers, supervisors, associates, contractors, supplier representatives, guests, customers or visitors.

XV. HEALTH AND SAFETY

Tuesday Morning strives to provide a safe and healthful work environment by following safety and health rules and practices. We expect you to promptly report accidents, injuries and unsafe equipment, practices or conditions to your supervisor, your human resources representative, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel.

Tuesday Morning does not permit violence or threatening behavior in any of its workplaces. We expect you to report to work in a condition to perform your duties at your best, free from the influence of illegal drugs or alcohol. We do not tolerate the use of illegal drugs or alcohol in the workplace.

XVI. BRIBERY

Paying bribes in any form to anyone is strictly prohibited. If you are confronted with a request — express or implied — for a bribe from anyone, you must immediately bring the request to the attention of the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel.

XVII. WIRETAPPING, EAVESDROPPING AND TAPE RECORDING

In order to encourage open communication, free exchange of ideas, spontaneous and honest dialogue and an atmosphere of trust, Tuesday Morning has adopted the following policy concerning audio and/or video recording in the workplace. It is a violation of Tuesday Morning's policy to record conversations, phone calls, or company meetings, or to take any pictures of the Tuesday Morning's confidential or proprietary information or processes, with any recording device (including but not limited to a cellular telephone, smart phone, PDA, digital recording device, camera, digital camera, video recorder, etc.), unless the photograph or recording is designed to document a safety hazard, to document claims that the Tuesday Morning's rules have been inconsistently applied, to memorialize protected concerted activity which may, for example, include discussions concerning terms and conditions of employment, to record evidence to be presented in administrative or judicial forums in employment-related matters, for planned rebroadcasts (such as training videos), or for other similar purposes that are protected by applicable law.

Please note that Tuesday Morning has security or surveillance cameras operating in areas throughout the Tuesday Morning's facility, including areas where Tuesday Morning meetings or conversations may occur. The purpose of such security devices or surveillance cameras is not to record conversations but, rather, is to protect legitimate trade secrets such as proprietary processes and products, to discourage theft and/or robbery, or to aid in the investigation of such allegations.

XVIII. RESPONDING TO INQUIRIES FROM THE PRESS, SECURITIES ANALYSTS, INVESTORS AND OTHERS; USE OF SOCIAL MEDIA

Tuesday Morning is subject to laws that govern the timing of its disclosure of material information to the public and others. Only certain designated employees may discuss Tuesday Morning with the news media, securities analysts and investors. All inquiries from outsiders regarding financial or other information about us should be referred to our Chief Executive Officer or Chief Financial Officer.

For guidelines regarding the responsible use of social media, see Tuesday Morning's Associate Handbooks.

XIX. INTELLECTUAL PROPERTY

Our Associates are expected to respect third-party intellectual property rights in their daily business activities. This means Associates must never knowingly infringe on the copyrights, trademarks or patents of others, such as using protected material (i.e. by downloading unlicensed software onto company computers or by duplicating, publishing or distributing copyrighted magazine articles). Likewise, it is illegal to download songs, photographs and videos from the internet without consent from the rightful owner.

XX. WAIVERS

There may be times when the provisions of the Code may seem to prevent an activity, yet Tuesday Morning determines it is the right thing to do in a particular situation. These situations are rare. However, if this occurs then you must obtain a waiver. The process for Associates, who are not executive-level officers or directors, to obtain a waiver is as follows:

- A waiver must be obtained in advance using the "Code of Business Conduct Waiver" form. You may obtain a copy of the Waiver form from your HR representative.
- The waiver must be reviewed and approved by the Senior Vice President – Human Resources or the Senior Vice President – General Counsel.
- A new written waiver must be approved for each situation. For example, approval of a waiver for travel at a vendor's expense applies only for the specific event requested in the waiver, and does not apply to future events.

Only our Board of Directors or a committee of our Board may waive a provision of this Code for our executive-level officers, and any waiver for those persons will be promptly disclosed to the public as required under laws and regulations applicable to Tuesday Morning.

XXI. REPORTING ILLEGAL OR UNETHICAL BEHAVIOR

We must all work to ensure prompt and consistent action against unethical or illegal behavior. In most cases, a violation of this Code will be easy to recognize and should be promptly reported. Unfortunately, in some situations it is sometimes difficult to know right from wrong. Since none of us can anticipate every situation that will arise, it is important that we have a way to approach a new or sensitive question or concern. Here are some questions that can be asked:

- What do I need to know? In order to reach the right solutions, we must be as fully informed as possible.
- What specifically am I being asked to do? Does it seem unethical or improper? This will focus the inquiry on the specific action in question, and the available alternatives. Use judgment and common sense: if something seems unethical or improper, it probably is.
- What is my responsibility? In most situations, there is shared responsibility. Should colleagues be informed? It may help to get others involved and discuss the issue.
- Have I discussed the issue with a supervisor? This is the basic guidance for all situations. In many cases, a supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process early. Remember that it is the supervisor's responsibility to help solve problems.
- Should I seek help from Tuesday Morning's management? In the case for which it may not be appropriate to discuss an issue with a supervisor, or where you would not be comfortable approaching a supervisor with your question, discuss it with the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President - General Counsel.

If you become aware of conduct that you have good reason to suspect is illegal or unethical or violates this Code, go directly to the most senior level executive within your department or Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel. If you are uncomfortable talking with the people listed above, you may call **Tuesday Morning's Ethics and Compliance Hotline toll-free at 1-888-690-3870 or access it via the web at www.alertline.com**. The hotline is available 24 hours a day, 7 days a week.

Every individual associated with Tuesday Morning has a duty to cooperate in internal investigations of alleged misconduct.

XXII. PROCEDURES FOR SUBMITTING CONCERNS ABOUT ACCOUNTING AND AUDITING MATTERS

Tuesday Morning is committed to achieving compliance with all applicable laws and regulations relating to accounting standards and audit practices. Tuesday Morning's Audit Committee is responsible for overseeing treatment of complaints regarding these matters.

In order to facilitate the reporting of accounting and audit related complaints by individuals associated with Tuesday Morning, the Audit Committee has established the following procedures for the confidential, anonymous submission of concerns regarding questionable accounting and auditing matters:

Procedures for Submitting Concerns

If you have, at any time, concerns regarding questionable accounting or auditing matters relating to Tuesday Morning, immediately call **Tuesday Morning's Ethics and Compliance Hotline toll-free at 1-888-690-3870 or access it via the web at www.alertline.com**. The hotline is available 24 hours a day, 7 days a week. Your complaint through the hotline can be received on a confidential, anonymous basis. Alternatively, you may also contact Tuesday Morning's Senior Vice President – General Counsel or a member of the Audit Committee.

Questionable accounting or audit activities include, but are not limited to, any of the following:

- fraud in the preparation, evaluation, review or audit of any financial statement of Tuesday Morning
- fraud in the recording and maintaining of Tuesday Morning's financial records;
- noncompliance or deficiencies with respect to Tuesday Morning's internal accounting controls over financial reporting or disclosure controls and procedures;
- misrepresentations made to or by any senior officer, accountant or outside auditor regarding a matter contained in the financial records, financial reports or audit reports of Tuesday Morning; or
- false or misleading reporting of Tuesday Morning's financial condition.

If you are not sure if the matter you are concerned about relates to accounting or auditing matters, you should ask the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel or simply call Tuesday Morning's Ethics and Compliance Hotline.

XXIII. ANTI-RETALIATION POLICY

In order to encourage good faith reports of illegal or unethical behavior and questionable accounting or auditing activities, Tuesday Morning keeps all such reports confidential, except to

the extent necessary to conduct an adequate review, and does not allow retaliation of any type for reports of misconduct by others. A knowing violation of this anti-retaliation policy could constitute a federal crime punishable with a fine, imprisonment or both.

Should an Associate believe that he or she has been retaliated against because he or she filed a complaint or cooperated in an investigation of alleged misconduct, the Associate should immediately report in writing to the office of Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel the basis for this belief and the alleged retaliatory action.

XXIV. CONCLUSION

Tuesday Morning's good name and reputation depend, to a very large extent, upon every Associate taking personal responsibility for following a strict code of business and ethical conduct. Your business conduct on behalf of Tuesday Morning must be guided by your personal understanding of what is right and wrong and by Tuesday Morning's rules and policies set forth herein.

Any individual who fails to disclose a reportable matter, who knowingly makes a false report or who deviates in any way from Tuesday Morning's Code of Business Conduct should expect disciplinary action varying from reprimand to dismissal, including recovery of losses (i.e., funds or property), caused by their actions.

Remember, if you become aware of conduct that you have good reason to suspect is in violation of this Code, go directly to the most senior level executive within your department, Tuesday Morning's Senior Vice President – Human Resources or Tuesday Morning's Senior Vice President – General Counsel. If you are uncomfortable talking with the people listed above, you may call **Tuesday Morning's Ethics and Compliance Hotline toll-free at 1-888-690-3870 or access it via the web at www.alertline.com**. The hotline is available 24 hours a day, 7 days a week.

ACKNOWLEDGEMENT
Code of Business Conduct

I hereby acknowledge that I have read the Code of Business Conduct of Tuesday Morning Corporation (the “Code”) and understand the responsibilities set forth in the Code. I further acknowledge that I will adhere to the principles outlined in the Code and report any concerns I have regarding compliance and integrity in accordance with the Code.

Signature: _____

Printed Name: _____

Date: _____