

# 8.1

## Flex Vacation and Personal Time Policy – Canada

Effective: April 1, 2022

Version: 1

### The Michaels Vacation Philosophy is the following:

Michaels is committed to ensuring our Team Members enjoy a healthy balance of work and family life. To promote physical and mental well-being, we encourage Team Members to take all of their granted vacation time during the 12-month period following the date of the grant each year. Vacation grants may not be carried forward from year to year unless otherwise required by Provincial Legislation.

Employers across Canada must provide certain minimum statutory vacation time and vacation pay to Team Members as set out in the Provincial Legislation. The Vacation Policy of Michaels of Canada ULC. (“Michaels” or “the Company”) provides a vacation time and pay benefit that meets or exceeds what is set out in the Provincial Legislation.

The purpose of this Vacation Policy is to provide the guidelines for earning and taking vacation granted by Michaels to Directors and those above the level of Director in Canada. Vacation time will be granted based upon years of work experience. Vacation pay (as set out below) will be based on their applicable wages (in accordance with Michaels practice) during the applicable vacation period.

### Overview

As vacation pay accrues based on wages earned in exchange for work performed, Team Members away from work on a leave of absence (e.g., Pregnancy Leave, Parental Leave, Adoption Leave, sick leave, long-term disability, or workers compensation leave) will not accrue vacation pay during the leave, unless otherwise required by Provincial Legislation. Team Members away from work on leave will continue to be granted vacation time (but not vacation pay) for up to one year on leave, or such longer period as is required by Provincial Legislation. Team Members will cease being granted vacation time if absent on a leave of absence in excess of one year unless otherwise required by Provincial Legislation.

Team Members, who are on a Company-approved leave of absence have the right to defer taking their vacation time and receiving their vacation pay until the leave of absence expires, or until some later date if the Team Member and Michaels together agree to do so, unless otherwise required by Provincial Legislation.

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When a statutory holiday falls within a Team Member’s vacation period, this day will not be counted as a vacation day, and the Team Member will be entitled to an alternate vacation day off.

If agreed upon by Michaels and the Team Member, vacation pay will be paid in the pay period in which the Team Member takes their vacation, except as otherwise required by Provincial Legislation.

## Supervisor Responsibilities

Supervisors are responsible for:

- Explaining and answering Team Member questions about their vacation.
- Executing the policy as detailed in this document.

## Questions and Resources

Team Member Services at 1-855-432-MIKE (6453), Option 2 for Human Resources or email [hrteam@michaels.com](mailto:hrteam@michaels.com).

## Topics

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## Our Policy

The Company provides Vacation and Personal hours based on similar factors:

- The Vacation Grant Year commences on April 1 and ends on March 31 of each year. All Team Members at Michaels have a common anniversary date of April 1 for use in calculating their grant of vacation time.
- Vacation for Directors and above are based on years of work experience.
- Hours are prorated in the first year of employment and when a Team Member changes status from Part-Time to Full-Time.
- Personal hours are earned based on Job.

## Vacation Accrued Prior to the Transition Date

As Michaels transitions from the Flexible Vacation Policy to this defined Flexible Vacation Policy, the minimum statutory vacation time and vacation pay accrued as of April 1, 2022, has not been lost. Any Team Members who did not use at least their minimum statutory accrued vacation entitlement for the Vacation Year April 1, 2021-March 31, 2022, will, in addition to the grant under this Policy, receive the outstanding amount of existing minimum statutory accrued vacation entitlement from the prior year to use in this vacation year, and Michaels will continue to record accrued vacation to ensure that all Team Members receive their statutory entitlement to vacation time and vacation pay. At the end of employment, any accrued vacation owing will be paid out (see below).

## Vacation Grant

New Team Members will be entitled to vacation pay of 6% of applicable wages (in accordance with Michaels practice) for the first year (i.e., between their hire date and March 31). Their vacation time off grant in the first year of employment will be determined according to the following schedule:

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Year One Prorated Vacation Grant Schedule		
Hire Date	Vacation Grant	When Eligible to be Taken
April 1 – June 30	120 hours of time off	1 <sup>st</sup> Day of Employment
July 1 – September 30	80 hours of time off	
October 1 – December 31	40 hours of time off	
January 1 – March 31*	None	N/A (vacation pay for the first year will simply be paid out)

\*Except if otherwise required by Provincial Legislation, any associate hired between January 1 and March 31 will not receive vacation time off until the next grant year commences, and at that time they will be granted the full grant (see the schedule below).

*For Team Members employed as of April 1 of any year, vacation will be granted for the upcoming year according to the following schedule:*

Vacation Grant Schedule – Team Members Hired as of April 1	
Length of Experience on Grant Date	Vacation Grant
0-4 years	120 hours of time off with pay equal to 6% of applicable wages (in accordance with Michaels practice)
5 years but less than 15 years	160 hours of time off with pay equal to 8% of applicable wages (in accordance with Michaels practice)
15 years or more	200 hours of time off with pay equal to 10% of applicable wages (in accordance with Michaels practice)

Michaels may, in its discretion, accelerate the Team Member's placement on the Vacation Grant Schedule based on individual work experience with other employers.

### Paid Personal Time Grant

- Team Members to whom this Policy applies as of April 1 of any year shall be granted three (3) paid personal days to be used during the year. Personal Days should be scheduled in advance with approval of the Team Member's Supervisor.
- Personal Days cannot be carried over to the next calendar year. Any unused Personal Days at the end of a year are forfeited and lost. Team Members will not be paid for any unused Personal Days at the end of a year or at the end of employment.

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- If a Team Member is demoted to a position below the level of Director, any unused Personal Days are forfeited. Team Members transferred into a position at or above the level of Director during the year will receive prorated Personal Days based on the promotion date.

The Personal Day allotment in this Policy is in addition to other forms of paid leave provided by Company Policy, but runs concurrently with any paid leave provided by Provincial Legislation that is not addressed by Company Policy.

Any such statutory entitlement to paid days will be deducted from (rather than added to) the Personal Day allotment in this Policy. For greater clarity, as long as the Personal Day Policy provides a greater or equal benefit as compared to the Provincial Legislation, Team Members will only be entitled to the number of Personal Days set out in the Policy. If the Personal Day Policy does not provide a greater or equal benefit to the Provincial Legislation, Team Members will be entitled to the paid days provided by the Provincial Legislation and will not receive the Personal Days set out in this Policy.

### Vacation Entitlement on Transfer/Promotion/Demotion

Any Team Members who are subject to a different Michaels Vacation Policy who are transferred, promoted, or demoted during the year, and as a result become subject to this Policy, will have their vacation time, and pay determined under the previous Policy (pro-rata) up to the end of the month in which the transfer/promotion/demotion occurs, and any vacation pay owing under the previous Policy will be paid out at that time.

The Team Member will then have their individual vacation grant under this Policy determined (pro-rata) commencing in the month following the month in which the transfer/promotion/demotion occurs, for the remainder of the vacation year. The Team Member will work with their individual manager to determine the vacation time off for the remainder of the year, considering that accrued vacation pay to the date of the transfer/promotion/demotion has been paid out. A Team Member will always receive at least the minimum time off required by Provincial Legislation.

### Vacation Carryover

Granted but unused vacation from the April 1 vacation grant will be paid out annually by April of the following calendar year. Where a Team Member fails to take his/her statutory minimum vacation time within the required time period, Michaels reserves the right to schedule the minimum time away for the Team Member.

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## Scheduling of Vacation and Personal Days

Team Members shall request vacation time off with pay through Workday at least 30 days in advance of the requested time off.

- While it is preferred and encouraged that vacation time be taken in no less than one-week increments, vacation increments shall be scheduled in accordance with Provincial Legislation (i.e., a Team Member may take ½ day increments or full-day increments if entitled to do so by Provincial Legislation).
- The approval or denial of a Team Member’s vacation request is at the discretion of the Supervisor, and is dependent on operational needs. The Team Member will be notified via Workday of the approval or denial for time off.
- Team Members should not make any vacation plans until they are notified via Workday that their vacation time has been approved.
- All Team Members are responsible for recording and reporting to Michaels all of the vacation time that they have taken in Workday. Failure to do so constitutes a violation of this Policy, and will result in discipline, up to and including termination of employment.

## Reviewing Time Off Balances

Team Members can view balances in Workday. To review balances in Workday, refer to the **View Time Off** job aid in the Workday Learning Application.

## Time Off Requests

Before submitting a vacation request, the Team Member should confirm vacation time is available and notify their supervisor of the desire to take time off. Each Team Member is responsible for managing their own vacation time and appropriately submitting time in Workday either before or seven (7) days after the return from time off; if more time off than the Team Member has available is requested and approved, it will not be paid unless otherwise required by Provincial Legislation.

For assistance on requesting time in Workday, refer to the Request and Correct Time Off job aid in the Workday Learning Application.

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## Payout – Vacation and Personal Days

### *At Separation*

Upon termination from employment for any reason (whether such termination is voluntary, by mutual agreement, or initiated by Michaels, with or without notice or pay in lieu of notice), Michaels will pay out personal days and only the vacation pay that has actually been earned as of the last day of work (or as otherwise required by Provincial Legislation).

If a Team Member has received more vacation pay than has actually been earned as of their last day of work, Michaels will advise the Team Member of the amount of the overpayment, and the Team Member shall repay that amount.

## Errors in Vacation Payments

Michaels makes every effort to accurately calculate and pay all vacation to which Team Members are entitled. If for any reason a Team Member has received more or less vacation pay than that to which the individual is entitled, the Team Member is required to report the error to Michaels. Errors will be promptly investigated, and any required corrections will be added to/deducted from the Team Member's pay in the pay period following completion of the investigation, except as otherwise agreed between Michaels and the Team Member involved or as otherwise required by Provincial Legislation.

## Policy Amendments

Michaels reserves the right to modify, suspend, terminate, or replace this Vacation Policy at any time.