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Hourly Team Members Vacation Policy – Canada

Effective: April 1, 2022

Version: 1

Overview

The purpose of this Vacation Policy is to provide the guidelines for earning and taking vacation earned by eligible Team Members with Michaels of Canada ULC. (“Michaels” or “the Company”) in Canada. Vacation time will accrue based upon the length of service a Team Member has with Michaels as set out below, and vacation pay (as set out below) will be based on wages earned during the applicable vacation period.

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 HumanResources or email hrteam@michaels.com

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It is the policy of Michaels that:

1. Vacation entitlement will not be carried forward from year to year. Therefore, following the end of the year in which vacation was accrued, each Team Member will be required to take any unused vacation leave within the following twelve (12) month period. Michaels is committed to ensuring that our Team Members enjoy a healthy balance of work and family life. As such, we encourage our Team Members to take their earned vacation time each year.
2. 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 Law. 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 (e.g., Pregnancy Leave, Parental Leave, Adoption Leave or Team Members receiving sick benefits or long-term disability benefits). 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 Law.
3. Team Members, who are on a Company, approved leave of absence have the right to defer taking their vacation time until the leave of absence expires, or until some later date if the Team Member and Michaels together agree to do so.
4. Where 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.
5. 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 Law.

Stub Period:

The transition to a common anniversary date for all Team Members will initially create a "stub period". The "stub period" is the period of time between a Team Member's actual anniversary date and the common anniversary date (April 1). Vacation time and vacation pay accrued during this period will not be lost. Such entitlement will be calculated independently of vacation time and vacation pay accrued during the Vacation Pay Year and provided on a pro-rated basis.

8.1**Hourly Team Member Vacation Policy – Canada**
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Vacation will accrue according to the following schedule:

All Provinces except Saskatchewan		Saskatchewan only	
Length of Service	Vacation Entitlement per year of service:	Length of Service:	Vacation Entitlement per year:
1 year but less than 5 years	80 hours of time off and 4% of gross annual earnings	1 year but less than 10 years	Three weeks of time off and 3/52 of gross annual earnings
5 years but less than 20 years	120 hours of time off and 6% of gross annual earnings	10 years or more	Four weeks of time off and 4/52 of gross annual earnings
20 years or more	160 hours of time off and 8% of gross annual earnings		

Quebec Only	
Length of Service on Grant Date	Vacation Grant
Less than a year	1 day per worked month and 4% of the gross earnings during this period
1 year but less than 3 years	80 hours of time off and 4% of gross annual earnings
3 Years but less than 20 years	120 hours of time off and 6% of gross annual earnings
20 years or more	160 hours of time off and 8% gross annual earnings

The vacation pay year begins on April 1 and ends on March 31 (the “Vacation Pay Year”). All Team Members have a common anniversary date of April 1 for use in calculating your entitlement to vacation time and pay.

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Vacation Entitlement on Transfer/Promotion/Demotion

Any Team Members who are subject to a different Michaels Vacation Policy who are transferred 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 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 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

Each province in Canada requires that an employer provide certain minimum statutory vacation time and vacation pay to Team Members as set out in the applicable legislation. In each province, Michaels' Policy provides a vacation time and pay benefit that meets or exceeds what is set out in the legislation.

A Team Member's statutory minimum vacation entitlement must be taken within twelve months of the year in which it is earned. Accrued but unused vacation will be paid out annually by April of the year after which it should have been taken. Where a Team Member fails to take their statutory minimum vacation time within the required time period, Michaels reserves the right to schedule the minimum time away for the Team Member.

Scheduling of Vacation and Personal Days

- Team Members shall request time off with pay through WorkSmart 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 Supervisor will use the Michaels Vacation Planner to determine workload and

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operational needs prior to approving or denying the request. The Team Member will be notified via WorkSmart of the approval or denial for time off.

- Team Members should not make any vacation plans until they are notified via WorkSmart 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. Failure to do so constitutes a violation of this Policy, and will result in discipline, up to and including termination of employment.

Review Your Time Off Balances

Team Members can view balances in WorkSmart.

Termination Payout – Vacation

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 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 he/she 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.