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Support Center Exempt Team Members, Store Managers and Assistant Manager Vacation Policy – Canada

Effective: April 1, 2022

Version: 1

Overview

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 Support Center Exempt Team Members, Store Managers & Assistant Store Managers in Canada. Vacation time will be granted 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 their applicable wages (in accordance with Michaels practice) during the applicable vacation period.

The Michaels Vacation Philosophy is the following:

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 granted vacation time each year, and vacation grants will not be carried forward from year to year, unless otherwise required by Provincial Legislation. Therefore, each Team Member will be required to take any granted vacation time within the twelve (12) month period from the date of the grant.

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.

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.

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 HumanResources or email hrteam@michaels.com

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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.
- Hours are prorated in your first year of employment and when you change status from hourly to salaried or move to Assistant Store Manager or Store Manager position.

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:

Year One Prorated Vacation Grant Schedule		
Hire Date	Vacation Grant	When Eligible to be Taken
April 1 - June 30	120 hours of time off	90 days after start date
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).

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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 Service on Grant Date	Vacation Grant
Less than 8 years	120 hours of time off with pay equal to 6% of applicable wages (in accordance with Michaels practice)
8 years but less than 20 years	160 hours of time off with pay equal to 8% of applicable wages (in accordance with Michaels practice)
20 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.

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 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

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 their 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 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 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.

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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.