



**ANNOUNCING INDUSTRY-LEADING SHORT-TERM
DISABILITY AND PAID PARENTAL LEAVE
FOR EXEMPT TEAM MEMBERS**

Short-Term Disability Enhancement for Exempt Team Members

Michael's is enhancing our Short-Term Disability (STD) program for exempt U.S.ⁱ Team Members to provide for 100% base pay replacement while a Team Member is on Short-Term Disability. This improvement ensures that exempt Team Members do not experience a reduction in pay while they are not able to work due to an illness or medically required absence. This change is effective February 5, 2023.

Paid Parental Leave Enhancement for Exempt Team Members

Additionally, Michael's recognizes becoming a parent is a life-changing experience and we are committed to supporting our Team Members through these important family events. Michael's is pleased to introduce an industry-leading Paid Parental Leave (PPL) program starting February 5, 2023.

With these new policies, we are providing all Team Members who are new parents with eight full weeks of leave at 100% of their base pay which may be taken incrementally in the first year following the date of birth or event giving rise to the leave.

This new leave will be available to new eligible parents, whether their child has been welcomed to their family through birth, surrogacy, adoption, foster care, or legal guardianship and will apply to exempt full-time Team Members who are the legal mother, father, domestic partner, or guardian of the child.

For exempt Team Members who are birth mothers, they will first receive STD payment covering 100% of base pay while they are on STD. If STD is less than 8 weeks, they will receive supplemental PPL for the remaining portion of 8 weeks not paid by STD.

Exempt Team Members who are welcoming a child and who are not also the birth parent will also receive PPL covering 100% of their base pay for up to 8 weeks.

After 8 weeks of PPL, parents can take up to two additional weeks (80 hours) of sick, vacation or personal pay based on available balances and in accordance with all applicable Company policies.

PPL leave will be coordinated with applicable federal, state, provincial, or local family and medical leave. More details will be available in the full PPL Policy which will be posted to The MIK SharePoint and MIK HUB.

If you have further questions, we will be scheduling Question and Answer sessions online and in the Support Center over the next few weeks where you can attend and ask your questions or you may contact Team Member Services at (855) 432-6453, option 2 or hrteam@michaels.com.

Michael's prohibits discrimination or retaliation against any Team Member for using or requesting Short-Term Disability leave, parental leave, or any other legally protected family or medical leave and will not tolerate interference with an employee's utilization of these leaves

ⁱ This change is initially for US exempt Team Members only, but we are currently researching the necessary changes for adding our Canadian Team Members to ensure they can also take advantage of this benefit.