



TEAM MEMBER GUIDE

402 VACATION - ONTARIO

Vacation has two parts: vacation time and vacation pay.

Vacation Time:

The vacation entitlement year starts on January 1st and ends on December 31st.

New Team Members may request paid vacation time after they have crossed over into the next vacation entitlement year, but vacation time will be granted at the Manager’s discretion. An example is outlined below.

- If a Team Member was hired on June 10, 2024, the Team Member may request paid vacation time effective January 1, 2025.

Vacation time is not cumulative (no “carry over”). Team Members are required to take their vacation time in the vacation entitlement year after it is earned. Team Members are not permitted to take vacation in partial days.

The following table outlines vacation entitlement (number of days) for Team Members with set weekly schedules. Vacation entitlement (number of days) for part time Team Members is prorated.

WEEKLY SCHEDULE	NEW HIRE FIRST YEAR OF EMPLOYMENT	1 - 4 YEARS OF EMPLOYMENT	5th YEAR OF EMPLOYMENT	6 - 9 YEARS OF EMPLOYMENT	10th YEAR OF EMPLOYMENT	11 OR MORE YEARS OF EMPLOYMENT
5 DAYS/WEEK	0	10	15	15	20	20
4 DAYS/WEEK	0	8	12	12	16	16
3 DAYS/WEEK	0	6	9	9	12	12
2 DAYS/WEEK	0	4	6	6	8	8
1 DAY/WEEK	0	2	3	3	4	4

Team Members are required to submit written vacation requests to their Manager before March 31st of each year. Vacation time will be granted at the Manager’s discretion, by seniority, on a rotation basis. Team Members who are entitled to more than 2 weeks vacation will be permitted to schedule their additional vacation time after all other Team Members at their location have scheduled their 1st and 2nd weeks of vacation. In order to ensure that Team Members use all of their vacation, Managers will schedule vacation time for Team Members who do not submit vacation requests.

Due to the seasonal nature of our business, there are restrictions on when vacation time can be taken.



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Team Members who work in the Commercial Tire Division, Parts Division, Truck Division and at Head Office are permitted to request vacation time within the following perimeters:

From	To	Restriction
January 1 st	March 31 st	No Restriction
April 1 st	October 31 st	10 Day Maximum
November 1 st	December 31 st	No Restriction

Team Members who work in the Retail Division are permitted to request vacation time within the following perimeters:

From	To	Restriction
January 1 st	April 14 th	No Restriction
April 15 th	June 15 th	No Vacation Time Permitted
June 16 th	August 31 st	10 Day Maximum
September 1 st	October 14 th	5 Day Maximum (Based on Entitlement)
October 15 th	December 15 th	No Vacation Time Permitted
December 16 th	December 31 st	No Restriction

Vacation time for future vacation entitlement years cannot be used in the current vacation entitlement year. Once all of the vacation time for the current vacation entitlement year has been used, no other vacation time can be used. For example, if a Team Member takes 4 days off in December but only has 3 vacation days remaining for the current vacation entitlement year, 1 vacation day from the next vacation entitlement year cannot be used.

Vacation Pay:

Team Members accrue vacation pay on wages paid in the vacation entitlement year (wages paid on the pay days that fall between January 1st and December 31st). This vacation pay must be used in the following vacation entitlement year.

Vacation pay is not paid out to any full time, part time or casual Team Member unless vacation time is reported on timesheets. The only exception is Team Members who work 1,000 hours or less during the vacation entitlement year. These Team Members will be eligible to receive a vacation payout on the last pay day of January. Any amounts owing to the Company will be deducted from this payout according to the Team Member's current statement of account.

Team Members' individual vacation pay accrual information is recorded on pay stubs. Vacation pay accrued for future vacation entitlement years cannot be paid in the current vacation entitlement year. Once all vacation pay that was accrued for the current vacation entitlement year has been paid, no other vacation pay will be paid. For example, if a Team Member takes 4 days off in December but only has vacation pay remaining for 3 vacation days, the vacation pay that was accrued for the next vacation entitlement year will not be paid (1 day will be unpaid).



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There are several possible reasons why vacation pay does not match a Team Member's regular wages. Two examples are outlined below.

- If a Team Member was absent from work or was on an unpaid leave of absence in the previous vacation entitlement year, the amount of money accrued in the Team Member's vacation bank will be less because the Team Member was paid less wages in the previous vacation entitlement year.
- If a Team Member received a rate increase, the current rate of pay will be higher than the accrued vacation pay because vacation pay is calculated on wages paid in the previous vacation entitlement year.

Team Members must take time off to relax and re-energize. Team Members are not permitted to "carry over" vacation time or vacation pay into future vacation entitlement years. Any vacation time or vacation pay above the provincially legislated amount that remains at the end of a vacation entitlement year will be forfeited. "Carry over" into the next vacation entitlement year will only be permitted in special circumstances and must be approved **in advance** by the Operations Manager, General Manager and President.

Team Members who return to work after a leave of absence must use all vacation time and vacation pay remaining from previous vacation entitlement years prior to their return to work.

Should a Team Member cease their employment with the Company before completing the full year of employment (before crossing over the anniversary date), the Team Member shall not be entitled to receive the benefit of additional vacation pay. Only the legislated vacation pay shall be paid. An example is outlined below.

- A Team Member was hired on June 1, 2001 and resigned on April 2, 2024. The Team Member has over ten years of service and so is accruing vacation pay at a rate of 8% of wages. The Team Member's vacation payout at termination is calculated as follows:

STEP 1

Vacation accrual from January 1, 2023 to December 31, 2023 (8% = \$2,400.00)
PLUS Vacation accrual from January 1, 2024 to April 2, 2024 (8% = \$600.00)
LESS Vacation paid from January 1, 2024 to April 2, 2024 (\$1,200.00)

GROSS VACATION PAY AT DATE OF TERMINATION = \$1,800.00

However, the Team Member did not cross over the anniversary date of June 1, 2024 so the Team Member is not entitled to the extra 2% vacation that was accrued from June 1, 2023 to April 2, 2024.



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STEP 2

Vacation accrual from January 1, 2023 to May 30, 2023 (8% = \$1,000.00)
PLUS Vacation accrual from June 1, 2023 to April 2, 2024 (6% = \$1,500.00)
LESS Vacation paid from January 1, 2024 to April 2, 2024 (\$1,200.00)

FINAL GROSS VACATION PAYOUT AT TERMINATION = \$1,300.00

If excess vacation has been taken during the course of the Team Member's employment with the Company, this will be taken into account when calculating the Team Member's final vacation payout. Any overpayment shall be withheld from the Team Member's final pay.