

Frequently Asked Questions for Designer Brands Canada Associates

[Updated April 6, 2020]

Please familiarize yourself with these frequently asked questions. If you have additional questions not answered in this document, please email your division's help mailbox as listed in last question.

Temporary Layoff

Q: Why are we placing associates on temporary layoff?

A: Currently we have two key priorities that are driving everything we do: maintaining the safety of our associates and customers and protecting the health and future of our business. While this is a very painful action to have to take, it is aimed at preserving the future health of Designer Brands. Our plan is to emerge from this as a stronger enterprise as we focus on running our business responsibly and sustainably.

Q: What does “temporary layoff” mean?

A: During this time, an associate does not report to work or collect wages, or vacation, unless otherwise required by law. They are not permitted to work during this time. However, the associate does retain their job and other benefits. This type of leave typically occurs during crises and ends, when associates either return to work or are permanently displaced.

Q: How many associates will be affected by the temporary layoff and when will it be effective?

A: Approximately 80% of our associates will be put on temporary layoff beginning Sunday, March 29, 2020.

Q: How did you decide which jobs would be impacted?

A: This decision was made based upon a thorough review of our operations and what was deemed necessary to run the current state of the business. In most cases roles that are not providing this necessary business support have been placed on temporary layoff. As communicated today, functions deemed necessary to support may change with business needs.

Q: Am I required to return to work after the temporary layoff ends?

A: You do not have an obligation to return to work. If you decide to resign from your position, please notify a member of management or human resources in writing. If you terminate your employment, your benefits will cease at that time. Your HR representative will be able to provide you more detail upon your resignation.

Q: When does DBI anticipate the temporary layoff will be over?

A: At this time, we are unable to answer that question with specifics because of uncertain conditions that are outside of the company's control, such as government-mandated closures. We are constantly monitoring the COVID-19 situation and will communicate with associates when further decisions are made. This is a very fluid situation that is constantly changing.

Q: Is my job guaranteed to be available to me when the temporary layoff ends?

A: We will try to place you into the same or an equivalent position upon your return to work, but we cannot promise that will occur. Please be aware that we are unable to predict the ways in which our business may be impacted by this public health crisis, which may result in some positions being changed or eliminated. Again, we will communicate to associates when we reach the point of asking associates to return to work.

Q: Can I secure employment elsewhere while on temporary layoff with DBI?

A: Yes. If you obtain other employment, please notify the company via DBCHR@townshoes.com so that we may manage your situation appropriately.

Q: If I am not on temporary layoff, effective as of March 29, 2020, how will my compensation be affected (Support Centre Only)?

A: Effective Sunday, March 29, 2020, salaries of all remaining associates including executive leadership will be reduced: VP and above by 20%, Director and Sr. Director by 15%, Manager and Sr. Manager by 10% and individual contributors by 5%. Wage rates for anyone in stores are not impacted.

Q: In addition to placing associates on temporary layoff, what else is the company doing to cut costs and reduce expenses during this time?

A: After further consideration of the challenges currently facing our business, we have decided to delay merit increases for all associates and hold any promotions. We are also instituting a hiring freeze across the company.

Q: If I am being placed on a temporary layoff, will I be expected to perform any work?

A: No. In fact, associates who are on a temporary layoff are not permitted to do any work (including, making business phone calls, checking voicemail, reading/writing/deleting emails, drafting documents, stopping by the business to “check on things” or engaging in business-related communication with other associates who may or may not be on leave). While we appreciate that some of you will want to keep abreast of what is happening in your department, in order that the Company complies with Provincial laws, you may not perform any work while on leave.

Associate Communication

Q: How will the company communicate with associates who have been placed on temporary layoff during this period?

A: Any associates placed on temporary layoff will be contacted by a member of management or human resources by phone when the layoff period is over. Associates can also watch for updated versions of this document and other information at designerbrands.com/associateinfo.

Q: Will associates have access to company systems (email, etc.) during temporary layoff?

A: No. All access to company systems will be suspended at 5:00 p.m. EST on Friday, March 27, 2020, for associates placed on temporary layoff during this time. During your temporary layoff, you can keep any company property you currently have with you outside of the office. If you resign or transition to a terminated status your HR partner will arrange to collect your company property.

Q: How will associates be notified when the temporary layoff period is over?

A: Affected associates will receive a phone call from their supervisor when the temporary layoff is over.

Q: I want to get personal belongings from my workspace. How and when can I do that?

A: Currently, we are asking associates not to enter workspaces unless necessary and permission is given by your leader. Your leader will communicate a process for when it will be possible to collect personal belongings.

Q: Should associates who have been placed on temporary layoff set an out of office message on their email?

A: Impacted associates do not have to set an auto-reply on their email when they go on leave. Email accounts will be temporarily suspended, and an automatically generated reply will be implemented with a default message. However, our technology team will take note of any messages that have been pre-set by users, confirm with department leadership as appropriate, and not override.

Associate Pay & Benefits

Q: When will I receive my final paycheck after my temporary layoff takes effect?

A: You will receive your pay as normal for hours worked during the pay period in accordance with the regular payroll schedule. For Support Centre Associates, hours worked between March 15th – March 28th, will be paid on Friday, March 27th, 2020.

For Store Associates, hours worked between March 8th – March 21st will be paid on Thursday, March 26th, 2020 or Friday, March 27th, 2020 depending on province. Hours worked between March 22nd – March 28th will be paid on Thursday, April 9th for all provinces due to Good Friday falling on Friday, April 10th.

Q: How do I access my Record of Employment (ROE) to apply for EI benefits?

A: ROEs will be generated for any Associate impacted by temporary layoff. ROEs are created and electronically issued to Service Canada and you will be able to access a copy of your ROE by logging into

your My Service Canada Account at <http://www.servicecanada.gc.ca/eng/online/mysca.shtml>. You are able to start your EI benefits application even before Service Canada receives your ROE. Service Canada recommends that you apply for EI benefits as soon as you stop working to minimize any potential delays to benefits.

Q: (April 2, 2020) What company name and phone number should I use for my EI application?

A: You should use Designer Brands Canada Inc., for company name and (416) 638-5011 for company phone number.

Q: (April 2, 2020) What Reference Code should I use for this application?

A: There is no reference code available for your EI application.

Q: (April 2, 2020) Are you able to provide me with an Access Code for my application?

A: Your Personal Access Code will be sent to you directly from Service Canada once you complete your EI application. This is not something that the company provides.

Q: Will I qualify for Employment Insurance (EI) benefits while on temporary layoff?

A: Associates can find information on EI benefits and the application process by visiting the following Service Canada web page: <https://www.canada.ca/en/services/benefits/ei.html> or can call 1-800-206-7218 for more information.

Q: Will my group benefits continue when I am on temporary layoff?

A: Yes, if you are currently enrolled in Designer Brands benefits, your medical, dental and insured benefits will continue without interruption during the temporary layoff period. If you require additional information, please contact DBCHR@townshoes.com

Q: What happens to my Company RRSP while I am on temporary layoff?

A: Your Company RRSP will continue to be available, but employer match contributions will not be made during the temporary layoff period. If you require additional information, please contact DBCHR@townshoes.com

Q: Will the temporary layoff impact my years of service?

A: No. Years of service will remain intact.

Q: Can I use accrued vacation? Will vacation accrue during my temporary layoff?

A. Use of accrued vacation will not be available. Vacation will not accrue during the temporary layoff.

Q: How do I pay for my benefits while I am on temporary layoff?

A: For any Associate on temporary layoff and who is currently enrolled in the group benefit plan, the company will pay the employee portion of benefit premiums to ensure that benefits coverage continues during the temporary layoff period. Upon any return to work after the temporary layoff period, Associates will resume paying their share of benefit premiums through payroll deduction as was the case pre-temporary layoff.

Q: Am I eligible for additional benefits if I'm diagnosed with COVID-19 or otherwise become medically disabled while on temporary layoff?

A. Depending on the province in which you reside and the specific circumstances of your condition, you may be eligible to receive additional government-provided disability benefits or paid sick leave.

Q: If I am placed on temporary layoff, will I receive emergency pay?

A: Corporate office associates including DBI, Camuto, Sole Society, and DBC are ineligible for emergency pay. Store associates impacted by stores closures have been paid out emergency pay at this time.

Government Support

Q: (April 2, 2020) I recently heard about the Federal Wage Subsidy that the government has proposed how will this apply to me if I am currently on temporary layoff?

A: Canadian Finance Minister Bill Morneau recently announced a new Canadian government program which will help subsidize up to 75% of wages for businesses who have lost revenue due to the COVID-19 outbreak. Designer Brands Canada is reviewing the details of this subsidy and working to understand its application to our business and our associates. We will communicate further details as we learn more.

Q: (April 6, 2020) Application for the CERB (Canada Emergency Response Benefit) opens today, do I qualify for this benefit and how can I apply?

A: Information on all Government Support Programs for Individual, including the CERB can be found by visiting <https://www.canada.ca/en/departement-finance/economic-response-plan.html#individuals>

Future Actions

Q: Do you anticipate more associates will need to be placed on temporary layoff or even laid off in the future as the COVID-19 virus continues to impact businesses around the globe?

A: We are constantly monitoring this situation and following the guidance of the Centers for Disease Control and Prevention (CDC), World Health Organization (WHO), as well as local and federal government and public health agencies, to quickly adapt and make decisions. At this point, we do not anticipate any additional unpaid leaves or even layoffs, but unfortunately, both are possible in the future.

Q: How can associates ask questions or get information regarding temporary layoffs?

A: For questions or concerns not addressed in these FAQs, associates can submit by email as follows:

- U.S.-based DBI/DSW associates: associatecommunications@dswinc.com
- Camuto Group: camutoHR@camutogroup.com
- Canada: DBCHR@townshoes.com

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