

**Private & Confidential**

1<sup>st</sup> April 2020

Dear Fletcher Building Team Member

**Proposal on Bridging Pay Programme**

On Thursday 26 March, the New Zealand Government raised the nation's Health Alert to Level 4, implementing a compulsory lockdown for at least four weeks, and potentially for an extended period of time. Most of our operations have now ceased with only a few people still working to support the country's essential services.

As we navigate the next several weeks, we are adopting some guiding principles: We want to support our people through the current uncertainty and provide clarity around pay and working arrangements so our people who are not working can plan ahead. At the same time, we need to tightly manage our financial position to ensure that our business remains resilient and in a strong position to resume operations, as when the restrictions are lifted. We also need to factor in that any restart will be a gradual process rolled-out over a period of time.

The New Zealand Government acknowledges the critical role we play as one of the country's largest employers and we have been engaging with them to ensure the wage subsidy currently on offer can be applied to our business. Pleasingly, we have been able to confirm we can access the wage subsidy programme as a contribution to the total support package we have created for our New Zealand employees.

As the Government initiative is a 12-week programme, we have aligned our approach to this period. We felt this also provided a level of certainty for our employees so they could plan the next 12 weeks as best as possible.

Given the impact on revenue and the extended period of uncertainty we are facing, we are not in a position to sustain our entire workforce at full pay for the 12-week period. With this in mind, we are proposing the following arrangements to support our people through the 12-week subsidy period:

- From Thursday 26 March until the end of your special leave you will receive full pay.
- After this you will receive 65% of your base pay up to the end of week four. (This equates to an average of 80% of base pay across the first four weeks of the shutdown period for all NZ Fletcher Building employees)
- From Thursday 23 April until Wednesday 20 May you will receive 50% of your base pay.
- From Thursday 21 May until Wednesday 17 June you will receive 30% of your base pay.
- No one will fall below the Government wage subsidy amounts during this period, which are \$585.80 (gross) for anyone working more than 20 hours per week, and \$350.00 (gross) for anyone working fewer than 20 hours per week.
- If your normal pay is less than these wage subsidy amounts you will continue to receive your normal pay over the 12-week subsidy period.
- You can top up your pay during this period by using your annual leave, shift leave, alternative holidays (lieu days) or long service leave entitlements if you wish.

In some situations, we may require some employees to continue to work during this time. We will liaise with employees as these situations arise.

The payment to you is subject to the usual deductions (PAYE, student loan, KiwiSaver etc.). You are entitled to seek independent advice or speak to a support person or union regarding this proposal.

To process the wage subsidy application, we will provide to the Ministry of Social Development (MSD) personal information about you. MSD requires us to submit names, IRD numbers and hours worked per week for all employees. No identifiable information will be published by MSD, and they will only use the information for purposes connected to our application.

If you agree to the above proposed approach we need you to confirm this by email to [james.mcintosh@fletchersteel.co.nz](mailto:james.mcintosh@fletchersteel.co.nz) or by return text using the e-text number you received this letter from no later than 5pm Thursday 2, April 2020.

For clarity, if you could please respond by text or email; "I < Your Name > understand and agree to the variation outlined in this letter.

Alternatively, if you have any feedback you would like us to consider, please email this to [james.mcintosh@fletchersteel.co.nz](mailto:james.mcintosh@fletchersteel.co.nz) by Thursday 2:00pm

We will review the above arrangement should circumstances change. If you are able to return to work before the end of the 12-week subsidy period (due to a change in the Health Alert Level, or your role being deemed part of an essential business), we will also discuss arrangements with you at that point.

In the meantime, I do appreciate that this is an unprecedented and unsettling time and the implications that this situation will have for you and your families.

Please look after yourselves and know that we are continuing to make every effort to mitigate the impacts of this situation as best we can.

Yours sincerely



**Adrian Blake**  
**General Manager**  
**Fletcher Steel**