

COVID-19 UPDATE – JobKeeper
25 May 2020

All,

You will be aware that the Federal Government has recently introduced legislation confirming a new JobKeeper subsidy. JobKeeper is a payment that assists eligible employers impacted by COVID-19, contributing towards the costs of their employees' wages, so that more employees can retain their job and continue to earn an income. It also serves to create a financial stimulus for the purpose of reinvestment in the Company to increase its financial robustness. The Company will pay tax back to the Federal Government on any JobKeeper subsidy it receives.

Eligible employers can claim a payment of \$1,500 per fortnight per eligible employee for nominated periods up to September 2020.

As with many other businesses in Australia, COVID-19 has impacted our business. More importantly, it appears that battle against COVID-19 may be prolonged, with the resulting broader economic impacts also likely to remain for a considerable period of time, even if the immediate COVID-19 pandemic is brought under tighter control or extinguished.

As a result, the Company has explored the possibility of seeking access to JobKeeper. In order to finalise access to JobKeeper, we need to confirm for each individual employee their current eligibility. As such, we will provide you further information shortly, and require you to agree to receiving JobKeeper payments by completing the ATO's JobKeeper Employee Nomination Notice form.

This form will be sent on our behalf by KPMG, who we have engaged to assist with the significant management of this process, and will come from the following email address (with a link attached for further instructions): "dse@aumail.docusign.net"

It is our expectation that should the Company receive the allowance, it will provide a significant buffer against the likely COVID-19 related economic downturn, and as such will be an important component supporting the Company's economic wellbeing. This in turn will assist in providing improved job security for our workforce.

The JobKeeper subsidy itself is designed such that it will not result in a reduction of your pay.

Some employees may receive an increase in the amount paid for the equivalent time that the Company participates in JobKeeper; that is if your normal weekly earnings are less than the amount of the JobKeeper subsidy of \$1,500 per fortnight (and you are registered as an eligible employee) you will receive a top up payment.

It is important that you understand that the Company will not be able to nominate you as an eligible employee for the scheme, and therefore not receive or make any JobKeeper payments to you, until such time as we have received your completed JobKeeper Employee Nomination Notice form. We expect that you will receive this form in the coming days.

To assist with your understanding of JobKeeper and this process please find attached a Frequently Asked Questions sheet.

Stay safe,



Paul Sarant
Managing Director / CEO
K&S Corporation Ltd

