

[Print on Company Letterhead Address]

<<Name>>
<<Title>>
<<Company Name>>
<<Address>>
<<Postcode>>

<<Date>>

Dear <<Insert Director Name>>,

Extension of Coronavirus Job Retention Scheme for Directors (the Scheme)

As you know from our recent meeting on <<insert date>>, the coronavirus (COVID-19) pandemic has had a serious impact on our business.

I told you about the Government's extension of the Scheme from 1 November 2020 and advised you that, in order to minimise the impact on the Company because of the <<state reason e.g. the downturn in the economy>>, the Company is intending [to continue] from that date to "furlough" staff, including you, on the basis of [state e.g. full pay>>] **OR** [<<80% of salary>>] when we cannot provide

The board of directors has agreed that you (as a Director) will [continue to] be "furloughed" during the extension of the Scheme and the Company will continue to pay you through funding from the Scheme.

During the furlough period, you as a Director, will:

- continue to be employed by the Company;
- not carry out any work for the Company (see paragraph 2 of the below); and
- receive [your salary as normal] (normal salary/pay of £2,500 per month) (income tax and national insurance contributions deducted as normal).

All other terms and conditions of your employment, including accrual of annual leave, and continuity of employment will not be affected during the furlough period.

Full details of the scheme can be found at <https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-furloughed-workers>.

You continue to be a director of the Company during the furlough period and as such you must do what is reasonably necessary to enable the Company to carry out its director's duties in line with the Companies Act 2006. However you must not carry out any duties or responsibilities of the Scheme during this period and in particular you must not carry out any duties or responsibilities that you would normally carry out to generate commercial revenue or profit on behalf of the Company.

Your furloughed period under the Scheme starts on <<insert date>> and will end on the earlier of:

- the date you are requested to return to work;
- 30th April 2021; or
- such date, if any, as the Scheme is extended by the Government.

The minimum furlough period is 3 weeks.

Note that at the current time, the Scheme will end on 30th April 2021. We shall endeavour to notify you as to what your status will be following 30th April 2021.

It is your decision as to whether or not you wish to furlough employment. However, you should be aware that the alternative to furlough employment may be redundancy or unpaid leave. Please sign the attached agreement to being a furloughed director and return the form to the Company by the date >>.

I realise that this is a very worrying time for you and please do not hesitate to contact me if you have any questions or concerns.

Yours sincerely,

<<Name & Title>>

For and on behalf of <<Company Name>>