

Advisory

Project Poseidon - contingency planning update

*Strictly Private
and Confidential
Draft*

23 April 2018

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**Scottish Government
Scottish Procurement
5 Atlantic Quay
150 Broomielaw
Glasgow G2 8LG**

Dear Sirs

We report on Ferguson Marine Engineering Limited (the “Company” or “FMEL”) in accordance with our agreement dated 27 November 2017.

This report has been prepared in connection with the purpose as stated in the engagement letter. All sections of the report should be read together.

We have provided reports covering a wide range of options. SG is now considering ██████████ ██████████ ██████████ and ██████████ as part of its contingency planning. We have not been asked to provide a detailed paper on ██████████ so this report focuses only on other the options currently being considered, although certain ██████████ comments are noted where we are responding to specific queries.

This is a draft report and is subject to amendment. Our final report will contain our conclusions.

Save as described in the agreement or as expressly agreed by us in writing, we accept no liability (including for negligence) to anyone else or for any other purpose in connection with this report, and it may not be provided to anyone else.

Yours faithfully

PricewaterhouseCoopers LLP

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Options

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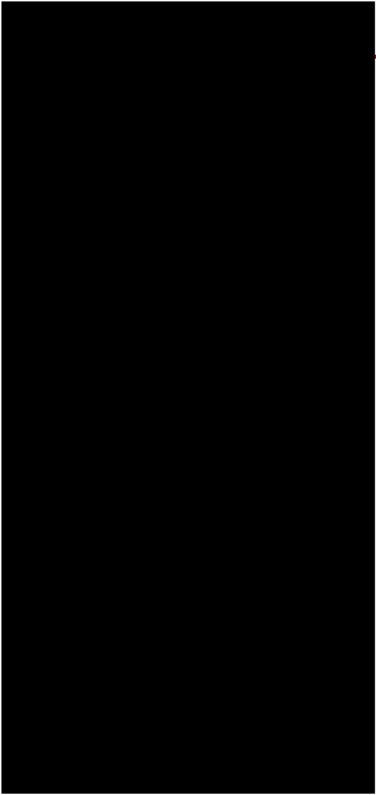


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experience*

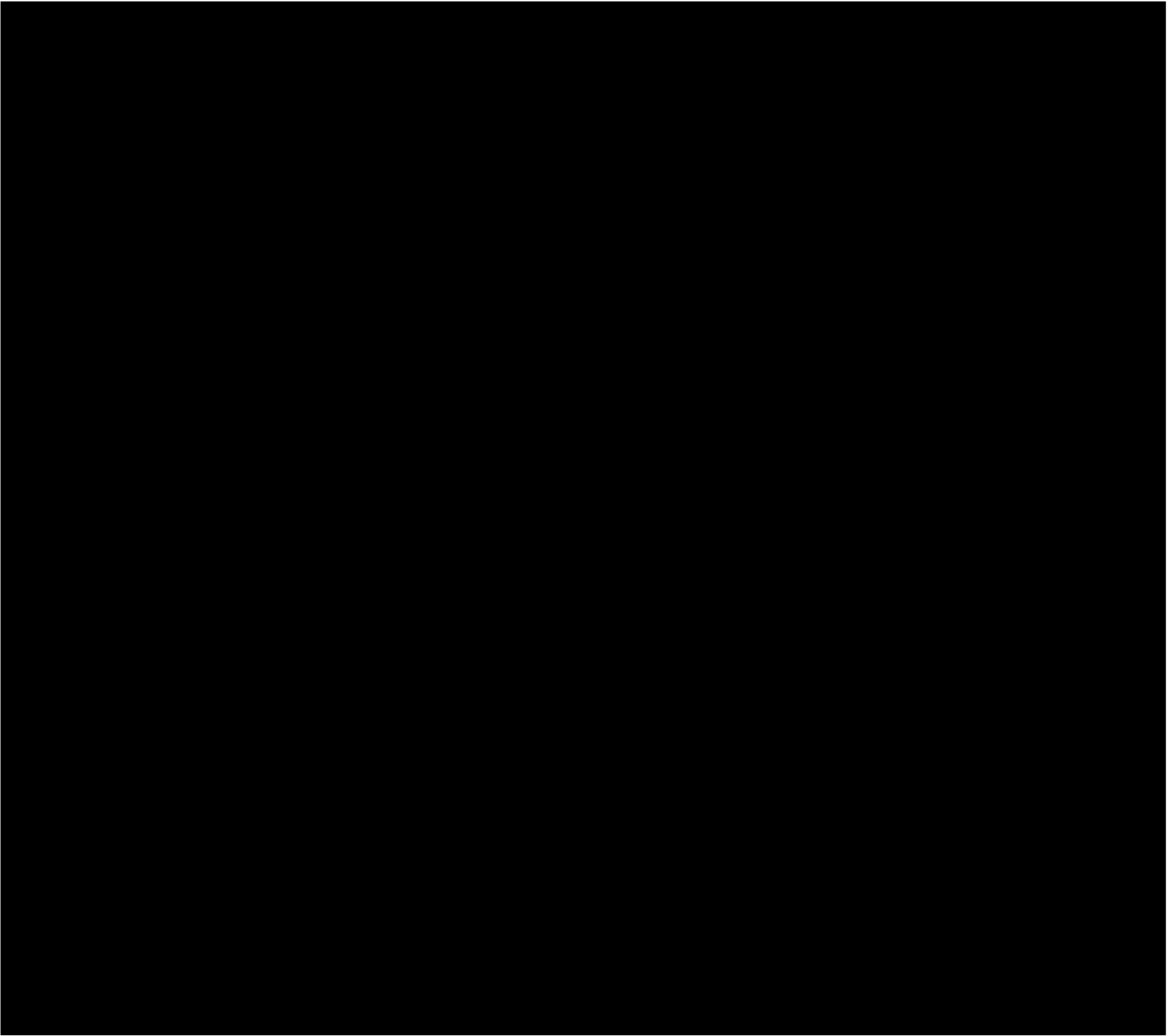
Geographical

*Business
knowledge*

Independent

Trust

Capacity



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Glossary

Our report includes a number of terms and short descriptions, which we define alongside

Term	Definition
CBC	Clyde Blowers Capital IM LLP
CMAL	Caledonian Maritime Assets Limited
Company or FMEL	Ferguson Marine Engineering Limited
CPI	Contract price increases
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECJ	European Court of Justice
HCC	HCC International Insurance Company Plc
FMEL Holdings	Ferguson Marine Engineering (Holdings) Ltd
██████	██████ ████████
MEIP	Market Equivalent Investor Principle
R&R	████████████████████
SG	Scottish Government
TS	Transport Scotland