

## BiFab

### Minutes of meetings with Grant Thornton covering the subject of loans in 2020

<u>Date</u>	<u>Attendees/ Email Recipients</u>	<u>Meeting Type</u>	<u>Notes/Action Points</u>
20/09/20	Andy Hoqq [Redacted] [Redacted] [Redacted] Callum McCaig  [Redacted] Grant Thornton  Bill Elkington, JV Driver Chuck Sanders, JV Driver Jason Fudge, DF Barnes Sean Power, DF Barnes	Call	<b>20-Sept-20</b> <b><u>BiFab Business update &amp; Briefing</u></b> <ul style="list-style-type: none"><li>• JVD conscious of directors' duties ensuring appropriate communication of the information received.</li><li>• JVD outlined the expected drawdown milestones from Oct 2020 through to Q4 2021.</li><li>• Business will suspend all non-essential cash payments from Monday 21 September. [Redacted]</li></ul> <ul style="list-style-type: none"><li>• [Redacted] NnG contract steel expected to be shipped from Rotterdam on or around 29 September; first steel expected to be cut w/b 5<sup>th</sup> Oct. [Redacted]</li></ul> <p>[Redacted]</p> <p><b><u>Exploration of 'Solvent Options'. (Presenter Jason Fudge &amp; Chuck Sanders)</u></b></p> <p>[Redacted]</p> <ul style="list-style-type: none"><li>• Suggestion of whether raising finance from elsewhere could delay administration outcome.</li><li>• SG must consider assuring NnG in the round for MEIP purposes - this includes the existence of an immediate pipeline of work. More is required than working capital from an assurance perspective.</li><li>• SG again requested financial forecasts [Redacted] [Redacted]</li></ul> <ul style="list-style-type: none"><li>• JVD met with external advisers on Friday, and will continue to work closely with them in course of this week.</li></ul>

			<ul style="list-style-type: none"> <li>• JVD do not necessarily want to resist administration option but require a week to consider options.</li> <li>• Cab Sec invited JVD and officials to consider a responsible timescale. SG has concerns that leaving decision for one week would be detrimental to pressing decision deadlines on cash needs; iterative discussions would be preferable.</li> <li>• Early October solvency issue needs resolved regardless.</li> <li>• BiFab board of directors meeting arranged for Tuesday 22 September.</li> </ul>
18/09/20	<p>Cabinet Secretary for Economy, Fair Work &amp; Culture</p> <p>Andy Hogg [Redacted] [Redacted] [Redacted]</p> <p>Mo Rooney Callum McCaig</p> <p>[Redacted] Grant Thornton</p> <p>Chuck Sanders, JV Driver Jason Fudge, DF Barnes Sean Power, DF Barnes</p>	Call	<p><b>18-Sept-20</b></p> <ul style="list-style-type: none"> <li>• FH shared disappointment at BiFab not being awarded a contract from the [Redacted] Seagreen, but in light of that we need to consider the future direction of BiFab.</li> <li>• JF shared the Cab Sec's disappointment on not winning the contract, especially for the workforce in these challenging times.</li> <li>• FH reference that both she and the First Minister spoke with [Redacted] on several occasions to emphasise the importance of using the Scottish supply chain and will reflect upon [Redacted] decision.</li> <li>• FH moved onto discuss the future strategy of the shareholders, explaining BiFab's financial circumstances have led to conclusion that the company appears no longer viable in the short or long term. Therefore it is not possible to provide further financial support to this business, or meet the additional request for working capital funding.</li> <li>• JF acknowledged that there are financial challenges and a gap in the market before ScotWind develops.</li> <li>• CS very keen to understand what the options are going forward and potential readjust the shareholding.</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• FH commented that JV Driver and DF Barnes will need time to consider the options but keen that we work collaboratively to ensure reputation is maintain for both JV Driver and the Scottish Government.</li> <li>• CS would like time to reflect on the options internally and then speak further.</li> <li>• FH keen for an early response to ensure that we can speak with [Redacted] and ensure that the NNG contract is secured, approaching [Redacted] with JV Driver as a united front</li> <li>• CS asked if the shareholding could be changed in Scottish Government favour rather than head down the administration route as this could be cumbersome.</li> <li>• FH we have reviewed this route but there is no viable option under a MEIP basis, so a change is required since JV Driver are maintaining their position of not investing financially in BiFab.</li> </ul>

			<ul style="list-style-type: none"> <li>FH emphasised the point that time is critical, asking JV Driver to reflect on the options and speak again in the next few days but reminding all of the sensitives associated with this challenging situation.</li> <li>It was agreed that a further call would be convened for Sunday at 17.00 (UK time)</li> </ul>
07/09/20	<p>SG: Cabinet Secretary EFWC [Redacted] DG Economy, Andy Hogg Mo Rooney Callum McCaig [Redacted] [Redacted] [Redacted] [Redacted]</p> <p>GT: [Redacted]</p>	Call	<p><b>7 Sept-2020</b></p> <p><u>Viability of Business</u></p> <ul style="list-style-type: none"> <li>AH gave an overview of the current situation facing the company, which led to officials undertaking an options appraisal at pace; explaining also that the status quo and the position of JVD as shareholders was untenable. It was noted that it is no longer possible to provide further funding to the business in its current form – either on an MEIP compliant basis, or as a good value for money proposition.</li> <li>Cab Sec asked about the follow-up actions following her last call with shareholders.</li> <li>AH explained that there have been 3 rounds of [Red] talks and a significant cost delta remains on Seagreen, with it now very unlikely BiFab will secure this contract. [Redacted]</li> </ul> <p style="text-align: right;">AH</p> <p>outlined that it was important for context to consider that all evidence suggests, that, for Seagreen, BiFab tendered at a price amongst the most competitive of any European fabricator – and therefore that the market suggests that Europe is struggling to remain competitive against Asian and Middle Eastern providers.</p> <ul style="list-style-type: none"> <li>AH explained that the company has no working capital and SG will require to make a decision by end Sept on this issue, that the NnG assurance package requires to be executed and, in so doing, we will require a return to the Finance &amp; Constitution Committee (where MEIP/MEOP approval is not certain, given the commercial and financial outlook for the company).</li> </ul> <p>[Redacted]</p> <p>[Redacted]</p> <p><u>Shareholder Position &amp; Changing Market</u></p>

- AH added that SG's initial aspirations for taking on BiFab was rather buoyant working along with JV Driver. However, since the start of this relationship the company lost out on a number of contracts; JVD have not invested nor passed work to BiFab from their Canadian operations; failed to implement a diversification strategy.
- AH reminded those on the call of SG's policy objectives in BiFab: to establish a viable business and in turn build a strong, domestic supply chain - and JVD was to bring expertise, strategy, opportunities from other markets and a plan to grow the business to this end. However, the business lost out on the Kincardine contract, secured only 8 jackets from NnG, is now unlikely to secure even 4 from Seagreen. Furthermore, Inchcape and Moray West are likely to avoid the need for jackets entirely (with the wider market moving towards XXL monopiles - driven by the reduction of costs and innovation in the sector). In summary, the market has changed since SG's intervention to achieve these policy objectives.
- LD summarised that it appears to her that government is shouldering almost all of the exposure and risk here, and questioned what JVD should be account for.
- AH commented that JVD have expressed that they want the best for the business and would probably not stand in the way of a transfer of their shares to another [Redacted]

JVD have not generated any profits to reinvest in the yards and therefore remain stuck on phase 1 of their 3 phase business strategy. SG has tried at official and ministerial levels, several times, to try and unblock this. [Redacted]

- LD asked what JVD stand to lose from this scenario.
- AH explained that JVD have not provided investment, only time and management resource, [Redacted]
- Cab Sec commented that one of her main concerns in reading the advice was the market changing and the scale of investment necessary to be a part of that market.
- LD asked what further public / policy measures were forthcoming.
- AH explained that there is an opportunity for a future supply chain through ScotWind, but that Scotwind will focus partly on floating and therefore different technologies. Crown Estate Scotland will ensure that conditionality will be attached to the ScotWind leasing round with the completion of a supply chain development statement, but that there are legal barriers to the ability to mandate a percentage of local content. There are sectoral and policy benefits, wider than BiFab, that may be realised, though - Nigg and Rosyth, for example. The question is not necessarily the future of BiFab as an entity, but the yards and their assets.

- Cab Sec asked how many jobs are at stake. AH answered with 31 + 14 contractors, outlining that the business relies on transient contractors to complete contracts. NnG, however, could provide 300 contractor jobs for 12 months.
- LD asked if the market is moving to China, for example, what are the chances this will repeat at Scotwind?
- AH acknowledged this was of course a risk, but that government hopes to be able to point to Nigg and Rosyth as playing a successful supply chain role for Scotwind and, [Redacted] has provided good commitment on this potential so far.

Options Appraisal

- AH ran through the options appraisal work and gave a brief overview of each. [Redacted]

- Cab Sec asked how realistic it was to deliver NnG in administration and invited views from others.
- [Redacted]

[Redacted]

[Redacted]

- CMc outlined that there are a number of uncertainties as part of this strategy and at all times we should remember the main objectives are to see a viable business and a presence in the renewables supply chain sector. Significant capital (both financial and reputational/political) has been expended to support the business and its contracts. [Redacted]
- AH explained that the first question can in part be answered if approval is given to develop an execution plan for Option 4 where officials and advisers can explore all of the specific challenges in detail. As for the second question, this may only be answered following conversation with [Redacted] and, at this stage, control over information handling is vital.
- LD asked what the expectations of stakeholders are.
- AH replied that it would not be all that surprising for stakeholders to learn that BiFab could not secure Seagreen, but it would be a surprise and subject of scrutiny if BiFab was unable to deliver NnG.

Timing & Decision Considerations / Process

- Cab Sec asked about the timing of SG's decision, and outlined the need for the First Minister and Cabinet colleagues to have input to that decision.
- AH explained we have a matter of weeks, that directors could trigger administration imminently as a result of their own fiduciary duties, but that we expect to have until late Sept to arrive at our decision.

[Redacted]

- LD described the strategic benefit of securing a partner in executing our chosen option. There are also concerns around the level of SG control to shape preferable outcomes in administration, as opposed to that control exerted on other SG intervention cases, such as Fergusons Marine.
- CMc described the need for careful handling with stakeholders, UKG and the Unions, for example.
- AH explained that such careful handling would be considered as part of the execution plan for the selected option.

		<p><u>Decision on Options</u></p> <ul style="list-style-type: none"> <li>• No options ruled out.</li> <li>• Cab Sec noted the exposure / risk associated with each option. [Redacted]</li> </ul> <p><u>Next Steps</u></p> <ul style="list-style-type: none"> <li>• Project Team to commence work on developing Option 4 and execution strategy. [Redacted]</li> </ul> <p><u>Actions</u></p> <ul style="list-style-type: none"> <li>• <b>Action:</b> Cab Sec to speak with FM at next opportunity.</li> <li>• <b>Action:</b> Officials to commission further commercial / legal work on execution plan – in conjunction with finance/SGLD.</li> <li>• <b>Action:</b> FM briefing required ahead of Cabinet next Tuesday [in subsequent discussion with MPO, agreed that officials will provide summary note for FM by close Friday 11 Sept . This can be accompanied by a SCANCE note, if required]</li> <li>• <b>Action:</b> Officials to arrange a call with JVD to push for contingency plans and their views on how they can support business viability/pipeline (e.g. in absence of Seagreen, is there options for subcontracting / diversification). This will be important evidence for audit trail. [Redacted]</li> <li>• <b>Action:</b> Officials to consider appropriate timing for a call between the Cabinet Secretary and [Red regarding [Redacted] – perhaps later w/c 7 Sept.</li> </ul>
31/08/20	SG: Andy Hogg  GT  [Redacted]	<p><b>31-Aug-2020</b>          Meeting: Discussion on Next Steps/Options Work          Attendees: GT, [Redacted] and Andy</p> <p><u>Key points:</u>          [          R          e          d          [Redacted]</p>



			<p>[Redacted]</p> <p><b>NnG</b></p> <ul style="list-style-type: none"> <li>• Not in contract yet – BiFab are still waiting on the completed contract document to review and sign. There has been some communications over the course of last week on finalising T&amp;Cs. [Redacted]</li> </ul> <p><b>Seagreen</b> [Redacted]</p> <ul style="list-style-type: none"> <li>• Andy/Jason to further discuss <ul style="list-style-type: none"> <li>○ Call with JF being set up this week</li> </ul> </li> </ul> <p><b>Updates on Pipeline Opportunities</b> [Redacted]</p>
17/08/20	<p>SG: Andy Hogg [Redacted] [Redacted] [Redacted]</p> <p>GT: [Redacted] [Redacted]</p>	Call	<p><b>17-Aug-2020</b> Attendees: [Redacted] (GT); Andy, [Redacted] (SG)</p> <p><b>Drawdown Submission</b> [Redacted]</p> <ul style="list-style-type: none"> <li>• As part of that submission, SG agreed to provide an update on options within 14 days (ie submission by 31<sup>st</sup> August).</li> <li>• AH flagged a key meeting with [Redacted], BiFab and JVD is taking place on 18<sup>th</sup> August which should bring more clarity on the Seagreen position. <ul style="list-style-type: none"> <li>○ SG agreed to provide a read out of this meeting to GT.</li> </ul> </li> </ul> <p><b>Procurement</b></p> <ul style="list-style-type: none"> <li>• AH highlighted that all the documents needed from our side are now with the procurement team who hope to send out to GT today. <ul style="list-style-type: none"> <li>○ [R] has received these and will review ASAP</li> </ul> </li> </ul> <p><b>Options Work</b></p>

- GT are working on the following reports; June management, quarterly report and assessing the LTTFs
- Output of [Red meeting] will drive this work, particularly around the LTTFs  
[Redacted]

**Asks of SG from [R**

- Share with them our understanding of the future pipeline so they can interrogate the forecasts accordingly. [Redacted]
- Construct an ask on accuracy of LTTFs to BiFab after discussion with [Red on Seagreen.  
[Redacted]
- Provide readouts of key meetings; [Red and Jason Fudge and other internal calls that could affect options work.

**Timescales**  
[Redacted]

- Discussion on draft options report to take place on 27<sup>th</sup> August

28/07/20	BiFab: Martin Adam [Redacted]  GT: [Redacted] SG: [Redacted] [Redacted]	Phone Call	<p><b>28-Jul-20</b>          Meeting: Regular Catch Up Call with BiFab's Local Management          Attendees: Martin, [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)          [Redacted]</p> <p>[Redacted]</p> <p><b>NnG</b></p> <ul style="list-style-type: none"> <li>[Redacted] had some queries on the contract which they have responded to. The contract is now in a position to be agreed (only mechanisms to be finalised). In the background [Redacted] are finalising the whole package and BiFab should receive the contract documents in the next few days to check over.</li> <li>Still expect materials to be delivered early Oct.</li> </ul> <p><b>Seagreen</b></p> <ul style="list-style-type: none"> <li>BiFab are currently responding to tendering queries.</li> <li>SG updated BiFab on timescales we are aware of – not likely to hear anything until mid-August as [Redacted] need to undertake a review with [Redacted]</li> </ul> <p><b>Drawdown</b></p> <ul style="list-style-type: none"> <li>SG checked GT had all the information required for the drawdown request.</li> </ul> <p>[Redacted]</p>
21/07/20	BiFab: Martin Adam [Redacted] [Redacted]	Phone Call	<p><b>21-Jul-20</b>          Meeting: Regular Catch Up Call with BiFab's Local Management          Attendees: Martin, [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)          [Redacted]</p>

GT:  
[Redacted]

SG:  
[Redacted]  
[Redacted]  
[Redacted]

[Redacted]

**NnG**

- No further updates on timing of contract signing. Internal expectations is that the end of the month for is a reasonable assumption.
- [Redacted] project team have been in touch with BiFab to say they will be visiting the yards in 2-3 weeks. BiFab see this as a positive sign.
- Still no clarity on what the final contract will be regarding number of jackets; 8 wind turbine jackets; 2 offshore substation jackets and 6 wind turbine jackets or 2 offshore substation jackets and 8 wind turbine jackets. BiFab's position is they would only take additional scope of work if [Redacted] extended the contract time. BiFab are seeking information from Saipen on where the material is and when it would be expected to arrive at the yards before accepting.
- BiFab have engineered the overlap in the programme between NnG and Seagreen ie. no overlap now.

[Redacted]

**Seagreen**

- [Redacted] are meeting with [Redacted] today regarding the 4 jackets – await outcome of this.
- BiFab were asked if they/Unions would be responding positively to being awarded 4 jackets. BiFab confirmed they would and see this as a positive ask.

**Drawdown**

			<p>[Redacted]</p> <p><b>BiFab Board</b></p> <ul style="list-style-type: none"> <li>SG asked for early sight of agenda and papers and for clarity on timing of those papers circulating.</li> </ul> <p><b>Upcoming holidays</b></p> <ul style="list-style-type: none"> <li>SG flagged upcoming holidays at our end. BiFab's holiday are dependent on Seagreen and not likely to be in the foreseeable future.</li> </ul>
17/07/20	<p>SG: Andy Hogg [Redacted] [Redacted]</p> <p>GT: [Redacted] [Red [Redact - -"</p>	Call	<p><b>17-Jul-2020</b></p> <p>Meeting: Pre-Meet before Cab Sec Meeting Attendees: [Redacted] (GT); Andy, [Redacted] (SG)</p> <ul style="list-style-type: none"> <li>AH gave a brief readout of his meeting with Liz highlighting the key things coming up on; implications of potentially no Seagreen, future drawdown request and [Redacted] [Redacted] The general steer from Liz is to get an informal meeting with Cab Sec discussing at high level our need to move to a position of being more proactive in challenging JVD on their position on non-risk and to update Cab Sec on the key issues. (This is now in diaries for 23<sup>rd</sup> July).</li> </ul> <p><b>Seagreen</b></p> <ul style="list-style-type: none"> <li>Jason Fudge (JF) sent over the assurance package requirement and asked for a discussion on this. AH responded asking for clarity on what the ask is for SG and to discuss on Tuesday.</li> </ul> <p>[Redacted]</p>

[Redacted]

**Strategic Approach**

[Redacted]

- Sooner we get in to strategy piece and fleshing these issues out the better. Company need to understand their direction or travel.
- SG also needs to agree what direction they want to take this in in terms of ownership and financial support. There are lots of questions from an operational perspective [Redacted] (the issues local management generate) but there is structural questions that if you can address those you know what route you want to go down and everything can fit around that. This makes is easier for SG when making decisions, as you know the appetite and direction.
- Initial work on strategy under the existing LoA (as well as the usual ongoing monitoring and review of forecasts and requests).
- LoA requested for [Redacted] work.

**Drawdown request**

- SG ensured GT had everything they needed for the drawdown request and [Redacted]

14/07/20

BiFab:  
[Redacted]  
[Redacted]

Phone  
Call

**14-Jul-20**

Meeting: Regular Catch Up Call with BiFab's Local Management  
Attendees: [Redacted] (BiFab); [Red (GT); [Redacted] (SG)

GT:

[Redacted]

[Redacted]

SG:  
[Redacted]  
[Redacted]

[Redacted]

[Redacted]

**NnG/Seagreen**

- NnG – continue on final queries and await decision on additional scope. Decision likely to be made within the week.
- Seagreen – submitted bid on 9<sup>th</sup> July, responding to technical and commercial clarification received this morning. [Redacted]

iFab dealing with the queries today. No feedback on pricing yet.  
SG asked if there was anything we could do to help in discussions with [Redacted]. BiFab will let us know if any assistance is needed and said it would only revert on this once it has heard back from [Redacted]

**AoB**

- Methill concreting works completed and site de-mobbed.  
[Redacted]

30/06/20

BiFab:  
[Redacted]  
[Redacted]

GT:  
[Redacted]  
[Redacted]

Phone  
Call

**30-Jun-20**  
[Redacted]

Meeting: Regular Catch Up Call with BiFab's Local Management  
Attendees: [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)

SG:  
[Reda  
[Reda  
[Reda

[Redacted]

[Redacted]

NnG

- If just going for 8 wind turbine jackets, BiFab have now agreed price and condition. Payment terms still outstanding.
- SG queried if BiFab had been asked to scope for an additional 2 jackets.

[Redacted]

[Redacted]

- [Redacted] SG flagged we have been iterating the same message to our comms team.
- Matt had no indication of what [Redacted] were planning on saying on the wider fabrication ie. the other 46 jackets.

Seagreen

- Received additional documentation from [Redacted] on Friday and BiFab are in the process of putting their information into the forms and submitting this back to [Redacted] by 9 July. Prior to then BiFab have a call scheduled with [Redacted] on Thursday to discuss the tender and keep things progressing.
- SG asked if they do get Seagreen and NnG jackets (including the potential additional 2 OSS jackets) would this be manageable? [Redacted] indicated there would be a 5-6 week overlap in Methill yard (other yards would not be affected) but would be manageable.
- Given delay to Seagreen and NnG – [Redacted]

this week once they get clearance from Jason.

– BiFab will share these

[Redacted]

Offshore Wind Growth Partnership

- SG flagged that Capita are running this partnership and there is an upcoming round towards end of July. BiFab were keen to look at this and SG agreed to share some information on this.

29/06/20

SG:  
Andy Hogg

Call

**29-Jun-2020**  
Meeting: [Redacted]

	<p>[Redacted] [Redacted] [Redacted]</p> <p>GT: [Redacted] [Redacted]</p>		<p>Attendees: [Redacted] (GT); Andy, [Redacted] (SG)</p> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>[Redacted] suggested SG flag to Jason that he should negotiate the best possible option for BiFab. [Redacted]</li> </ul>
25/06/20	<p>BiFab: Martin [Redacted]</p> <p>GT: [Redacted]</p> <p>SG: [Redacted] [Redacted] [Redacted]</p>	Phone Call	<p><b>25-Jun-20</b> Meeting: [Redacted] Attendees: Martin [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)</p> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>Jason and Martin have laid out there position with [Redacted]</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>BiFab set out the following, [Redacted]</li> </ul>

			[Redacted]
23/06/20			<p><b>23-Jun-20</b>  Meeting: Regular Catch Up Call with BiFab's Local Management  Attendees: Martin, [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)</p> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• Project team got together to discuss the variations. [Redacted]</li> </ul> <p>[Redacted]</p> <p>[Redacted]</p> <p>Seagreen</p> <ul style="list-style-type: none"> <li>• No communication with [Redacted] since re-submitting their tender bid and sending on the further documentation to [Redacted]</li> <li>• BiFab reached out to [Redacted] to talk through the tender line by line but [Redacted] hasn't responded.</li> <li>• Waiting to hear the outcome of fabrication contraction and will agree next steps then.</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• BiFab have not yet seen any contractual agreements from any of the parties.</li> </ul>

			<p>[Redacted]</p> <p>NnG</p> <ul style="list-style-type: none"> <li>• Pricing has been agreed, [Redacted]</li> <li>• T&amp;C's are nearly agreed just the [Redacted] [Redacted]</li> <li>• SG asked for an outline of what has been sent to [Redacted]</li> </ul>
<p>16/06/20</p>	<p>BiFab: [Redacted]</p> <p>GT: [Redacted]</p> <p>SG: [Redacted] [Redacted] [Redacted]</p>	<p>Phone Call</p> <p>[Redacted]</p> <p>[Redacted]</p> <p>NnG</p>	<p><b>16-Jun-20</b> Meeting: Regular Catch Up Call with BiFab's Local Management Attendees: [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)</p> <p>Finances</p> <ul style="list-style-type: none"> <li>• Cash flow now being sent to GT weekly and BiFab are finalising the management information report for May. [Redacted]</li> </ul>

			<ul style="list-style-type: none"> <li>• Still working through the final couple of commercial points before contract agreement.</li> </ul> <p>Seagreen [Redacted]</p> <p>SG asked BiFab to look into [Redacted] and BiFab advised they would send this over by the end of the week. SG also asked if Martin [Redacted] can be on next week's call so discussions on Seagreen's assurance package and [Redacted] can take place.</p>
15/06/20	<p>SG: Andy Hogg [Redacted] [Redacted] [Redacted]</p> <p>GT: [Redacted] [Redacted]</p>	Call	<p><b>15-Jun-20</b> Meeting: Follow Up Short to Medium Term Strategic Planning Session Attendees: [Redacted] (GT); Andy, [Redacted] (SG)</p> <p><b>Direction for Discussion</b> SG flagged the new timeframe suggested by [Redacted] on whether they will award BiFab a fabrication contract will now likely be the end of June and being in contract by August. If maintained, [Redacted]</p> <p>Therefore, the focus of this session is to highlight actions to progress within the timeframe we have before fabrication announcement at the end of June.</p> <p><b>Option A:</b> [Redacted] [Redacted] [Redacted]</p> <p><b>Option B:</b> [Redacted]</p>

			<ul style="list-style-type: none"> <li>Getting BiFab's boards view on outlook if BiFab don't secure Seagreen is key, in particular; what their position is, as from a directors obligation point of view they should be thinking of that. No board to date has explicitly mentioned the chance of not getting Seagreen.</li> <li>Suggest holding a date in the diary for an early July board meeting and use that as an opportunity to pull together a new set of forecasts and discuss the impacts; cash position and debt.</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>SG suggested a note to Liz Ditchburn, Gordon Wales and Kersti Berge looking at options A and B highlighted in the previous session on where we are and the scenarios we are facing would be helpful to get any thoughts from them before a formal submission to Ministers.</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>Latest letter of addendum unlikely to cover contingency planning for option B. SG to think about this.</li> </ul> <p><b>Actions</b></p> <ol style="list-style-type: none"> <li>SG to send a note to Liz, Gordon and Kersti setting out options A and B.</li> <li>SG to discuss with local management what they think the [Redacted] would look like</li> </ol> <p>[Redacted]</p> <ol style="list-style-type: none"> <li>Discuss with Jason the possibility of an early July board meeting to get their view on outlook if BiFab don't secure Seagreen and discuss forecasts; cash position and debt.</li> <li>SG to confirm if the September 2019 letter of addendum is the basis for moving this work forward.</li> </ol>
02/06/20	BiFab: [Redacted]  GT: [Redacted]	Phone Call	<b>02-Jun-20</b> Meeting: Regular Catch Up Call with BiFab's Local Management Attendees: [Redacted] (BiFab); [Redacted] (GT); [Redacted] (SG)  Update from Local Management (LM): [Redacted]

	SG: [Redacted]		<ul style="list-style-type: none"> <li>• Ongoing discussions as they prepare for [Redacted] Director and Martin Adam have a call tomorrow to discuss whether there is a [Redacted]</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• [Redacted] received further correspondence from Brodies on [Redacted] which they are due to respond to before Friday. Local management working with [Redacted] on that response.</li> <li>• [Redacted] . BiFab agreed to show [Redacted] their final [Redacted] by Friday.</li> <li>• [Redacted] will see [Redacted] and BiFab's review of the [Redacted] and revert back.</li> <li>• BiFab put the position to [Redacted] that they are [Redacted]</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• Ongoing weekly meetings/email exchanges with regards to pricing and contract terms and conditions. Hopeful after a conversation on Thursday they will be able to go to the board for approval.</li> <li>• It was initially meant to be [Redacted] but this is likely to go back to [Redacted] . BiFab will check the effect this may have on [Redacted].</li> <li>• [Redacted] discussed previously of [Redacted] is now likely to be [Redacted] and there still needs to be [Redacted] Still unclear what this will look like but will send on the information for this once known.</li> <li>• [Redacted]</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• On 27/05 BiFab received confirmation that [Redacted] would be sending out the enquiry but BiFab [Redacted]</li> <li>• Working through the [Redacted] – initial comments are the [Redacted] and [Redacted] have now asked for [Redacted] . Final submission to [Redacted] at some point early next week.</li> <li>• Conversations have just been focussed on [Redacted] and BiFab have not yet seen anything on [Redacted]</li> </ul> <p>BiFab Local Management and GT were then going to pick up on [Redacted] and [Redacted] SG dialled off.</p>
01/06/20	SG:	Call	<b>01-Jun-20</b>

<p>Andy Hoqq [Redacted] [Redacted] [Redacted]</p> <p>GT: [Redacted] [Redacted] [Redacted]</p>		<p>Meeting: Short to Medium Term Strategic Planning Session Attendees: [Redacted] (GT); Andy, [Redacted] (SG)</p> <p><b>Immediate/Short Term Strategic Direction</b></p> <ul style="list-style-type: none"> <li>• GT to speak to BiFab Local Management [Redacted] as it is [Redacted] and this is the right time to carry this out between contracts.</li> <li>• BiFab need to be [Redacted]</li> <li>• More analysis needed on the [Redacted] on a [Redacted]</li> </ul> <p><b>Medium Term Strategic Direction</b> [Redacted]</p> <ul style="list-style-type: none"> <li>• Internally we need to get the [Redacted]</li> <li>• Negotiate with [Redacted] and [Redacted] what a [Redacted] would look like and take this to [Redacted] with [Redacted] advice. Need to be confident that we have the right advice to go on this.</li> <li>• Start to look at what steps we need to take to [Redacted]</li> </ul> <ul style="list-style-type: none"> <li>• Important that we engage appropriately with [Redacted]</li> <li>• Is there any scope for investment in the yards in terms of new material etc for future fabrication work?</li> <li>• Conversation with the SG procurement team on rules and regulations before [Redacted]</li> </ul> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• GT advice would need to be sought as to whether or not the [Redacted] whilst looking at [Redacted]</li> <li>• After looking at [Redacted], should [Redacted] be made, from a SG prospective, as [Redacted] and what [Redacted]</li> </ul> <p><b>Actions</b></p>
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			<ul style="list-style-type: none"> <li>• Main next steps is to; a) focus on [Redacted] and b) Start to look at [Redacted] and [Redacted] [Redacted] (whilst taking into consideration other contracts such [Redacted] ).</li> <li>• GT to discuss changing [Redacted] on next BiFab local management call.</li> <li>• GT to look at scope of work for strategic direction and revert back if it is still [Redacted] .</li> <li>• SG to expand on scope of work points circulated in the agenda looking at the type of things we need to know, how we can do that and by when.</li> <li>• GT to email Andy with initial thoughts for FM note.</li> <li>• Agree a date/time for next week’s meeting which will focus on breaking down points into discrete actions.</li> </ul>
07/05/20	<p>DF Barnes: Jason Fudge</p> <p>Grant Thornton: [Redacted]</p> <p>SG: Andy Hogg [Redacted]</p>	Phone Call	<p>Key Points:</p> <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• JF noted that he believed there were material changes to [Redacted] at short notice. [Redacted]</li> <li>• AH referenced fact that key areas of concern flagged by BiFab – [Redacted] [Redacted] – were based on commercial advice on most recent [Redac provided by the business, only recently provided [Redacted] <p>[Redacted]</p> <ul style="list-style-type: none"> <li>• JF said he was [Redacted]</li> <li>• [Re noted that [Redacted] were in discussions on [Redacted] last night so it may now be resolved</li> <li>• JF view this could be [Redac later this afternoon [Redacted] <ul style="list-style-type: none"> <li>• JF noted no response from [Redacted] , but that was to be expected. Advising [Redacted] will be Monday</li> </ul> </li></ul> </li></ul>

06/04/20	BiFab: [Redacted]  GT: [Redacted]  SG: [Redacted]	Phone Call	<ul style="list-style-type: none"> <li>• LTTFs – Jason had a lot of input in to these; they have his buy-in</li> <li>• [Redacted] (Martin Adam, [Redacted])</li> <li>• Revised STCF to be rec'd by Wed – no material change [Redacted]</li> <li>• Call next week to include Martin &amp; [Redacted] for further detail on Covid impact, FEP status update, Moray East update, etc</li> </ul>
30/03/20	DF Barnes: Jason Fudge  Grant Thornton: [Redacted] [Redacted]  SG: Andy Hogg [Redacted]	Phone Call	<p><b><u>Facility</u></b> [Redacted]</p> <p><b>JF:</b> There is a lot of movement so it's hard to define exactly what is required. Especially with COVID-19 and what this means for projects and staff. [Redacted]</p> <p>[Redacted]</p> <p><b>JF:</b> Absolutely the margins will have an impact. Happy to speak with [Redacted] to get a better understanding of where things are. There are a wide range of possibilities that we are trying to navigate when we don't know what will happen in the next few weeks never mind months.</p> <p>[Redacted] Understands but the challenge for SG [Redacted]</p> <p>Understands that it's a starting point but we need to look at it and move things to the right, take into account margins. [Redacted] Probably challenging given COVID-19</p>

and the effect this has on it. Just wanted to know if there is anything [Redacted] should take into account in their thinking/reporting.

**JF:** Suggest we run a baseline forecast. Understand the positive/negative damage and that will give us a range. Jason will work with [Redacted] on getting to that baseline and managing that range. From a project work point of view, when you push things out to the right the problem is the need for cash tools.

**AH:** Have to take back final details from [Redacted] plus the range of forecasts Jason is suggesting and get Ministerial approval. Need to know in detail (figures being agreed with Jason and [Redacted]) what goes into the forecasts and why, and what future asks will look like. [Redacted] so we need to take this to Ministers quickly and get their views. Keen to avoid providing anything that doesn't have a clear understanding and level of detail.

[Redacted]

**AH:** Important that evidence base and forecasts match up with your thinking and we have an audit trail which shows Minister's clearly.

**JF:** Work with [Redacted] on a range of possible outcomes and then we can discuss to make sure we are aligned. Jason will send everything by the end of this week.

[Redacted]

**JF:** Based on current information it is more likely it won't be needed and will be moved to the right.

[Redacted] Once we have all the information we will look through it and if we need another call we will get something in diary at beginning of next week.

### **Options Agreement**

**AH:** Where are we at with the options agreement? Understanding is [Redacted] have sent this to [Redacted] and are waiting on a response.

**JF:** Probably 2/3 things to talk through with Andy so the lawyers can be aligned. Send a note tomorrow to get connected and aligned on the points. Doesn't think there is anything contentious.

			<p><b><u>Board Meeting</u></b></p> <p><b>JF:</b> Instead of a board meeting due to current circumstances thinking of doing a management/SG meeting instead? JVD, DF Banres, [Redacted] and SG? The agenda may be different to focus on the impact of COVID-19 rather than reviewing projects.</p> <p><b>AH:</b> Happy with what's proposed, asked for agenda and dial in details in advance.</p> <p><b><u>Actions</u></b></p> <ol style="list-style-type: none"><li>1. Jason Fudge to discuss forecasts with [Redacted] and look at different possibilities and send something by the end of this week</li><li>2. Jason and Andy to discuss options agreement points this week.</li><li>3. Jason Fudge to circulate agenda/dial in details for meeting on 8 April</li></ol>
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