

PHONE CALL ON THE LOCHABER GUARANTEE PROJECT – 26 OCTOBER 2020 [REDACTED]

Participants:

Scottish Government: Cabinet Secretary Fergus Ewing, Liz Ditchburn, Dermot Rhatigan, REDACTED
GFG Alliance: Sanjeev Gupta, Jay Hambro

- Mr Ewing started the meeting by welcoming Sanjeev and Jay to the call and stating he appreciated GFG's continued commitment to Scotland, and the important work they are doing at Dalzell and Fort William. None of us could have predicted the events that have transpired since 2016 (automotive market decline, brexit, covid).
- We have now reached an critical impasse in discussions and want to find a way round this.
- Setting out the current state of play as Mr Ewing sees it:
 - GFG have this morning committed to lodging REDACTED by the end of this week for Lochaber investment;
 - GFG REDACTED. Mr Ewing highlights that they are REDACTED;
 - He expects GFG to commit to REDACTED REDACTED by 31 March 21 per Mary McAllan's offer letter of 02 October;
 - The main component of the Business Plan is the billet plant and REDACTED
- Mr Ewing expressed REDACTED He would be keen to support making faster progress and for GFG to commit to making the billet plant the core of their overall proposal. If so Mr E will make a personal commitment to supporting that by re-engaging the Lochaber delivery group.

If we can sign up to the proposed commitment today REDACTED REDACTED. REDACTED
- Sanjeev started by re-emphasising his and GFG's commitment to Scotland as well highlighting his strong relationship with Mr Ewing personally.
- He has asked Jay to lead on the Lochaber project REDACTED. He was therefore keen for Jay to set out GFG's position as this time.
- Jay and GFG fundamentally agree with position set out by Mr Ewing above. He confirms GFG have spent a lot of time on the Business Plan to date and hopes this shows a huge amount of commitment and willing on their part.
- Jay acknowledges that the specifics of the GRA have been agreed already REDACTED however they had assumed that a further delay would be granted due to Covid-19. That said he believes a good solution is what was proposed REDACTED.

REDACTED
- Jay confirms that GFG REDACTED. He welcomes the offer of a Lochaber delivery group to try to move forward the Business Plan collectively. Jay is also keen to revisit the decision taken and instructed to GFG to REDACTED as they are keen to move forward quickly. They had been told by Deloitte to REDACTED.
- Mr Ewing welcomed the confirmation from Jay and Sanjeev that they wish to move forward quickly with the plans for Lochaber but asked for agreement on the timescales for achieving planning permission and getting spades in the ground. He asked Jay to set out an accelerated timeline for the main construction milestones.
- Sanjeev wished to make a couple of broad points:
 - GFG are committed to these projects and to Scotland.
REDACTED The market is already showing signs of recovery and they are optimistic but they need to be smart. REDACTED
- Mr Ewing appreciated the sentiment but made the point that REDACTED We understand that and that is why Scottish Ministers agreed to the revised legal contract which the Scottish

Government entered into in good faith. It is bigger than that though as he wants to be able to re-instil confidence at a local level REDACTED.

- Mr Ewing said that it would be good to commit on this call to REDACTED.

REDACTED
REDACTED

- In terms of moving the Business Plan forward Jay confirms that REDACTED To move things forward Jay is co-chairing a call later in week with REDACTED.

REDACTED

- REDACTED confirmed that SG sees the two things as separate in the GRA and need to stay as such. This point was echoed by Liz who said that this was a well debated and negotiated point in the GRA and would be difficult to agree to as it would feel like a significant change. Everyone does however want to see progress on the ground so there should be no issue in progressing both separately.
- Jay was just keen that we see an alignment of interest to get the Business Plan over the line REDACTED

Sanjeev was unable to approve on the call but gave his commitment to REDACTED.
REDACTED. REDACTED REDACTED

- Mr Ewing felt that SG has been sympathetic already and has a track record of trying to be reasonable which will continue in the future as required.
- Mr Ewing summarised by REDACTED. He is content to have a conversation with GFG down the line if need be REDACTED Mr Ewing regards this as the start of the restart of the process which will lead to the future of Lochaber and is happy we have reached an agreement. He is keen that we collectively move forward now.
- Sanjeev agreed and is keen for regular dialogue and not just to engage when a problem arises.