



Sanjeev Gupta
Executive Chairman
GFG Alliance
7 Hertford Street
Mayfair
London
W1J 7RH

27 April 2021

Dear Sanjeev,

GREENSILL CLBILS LOANS TO GFG's SCOTTISH ENTITIES

In our last meeting of 15 April 2021 you advised that the GFG Alliance (GFG) had progressed CLBILS applications via Greensill at the end of 2020 for a number of your UK businesses but that no [REDACTED] You stated that instead, [REDACTED] You also suggested that because [REDACTED] [REDACTED] and should be released.

I appreciate the information provided by your team to our advisors on the matter of CLBILS and understand GFG's position is as follows:

- In September 2020 there was a GFG reorganisation leading to the Liberty Industries UK Ltd group structure that exists today. Liberty Industries UK Ltd is owned by LRC One Pte Ltd in Singapore whose sole shareholder is Sanjeev Gupta. Liberty Industries UK Ltd is a holding company for Alvanco British Aluminium Ltd and Liberty Steel Dalzell Ltd. At that time GFG entered into a CLBILS facility through Liberty Industries (UK).
- Part of the structure of this CLBILS facility was its security package which included, amongst other things, [REDACTED] [REDACTED] would be in respect of timely repayments of any amounts outstanding under the CLBILS facility if not paid by the primary obligor.
- GFG confirmed that no funds have been [REDACTED] [REDACTED]. GFG also noted that, given Greensill is in administration, [REDACTED] [REDACTED]



- Accordingly, GFG suggested that [REDACTED] under the CLBILS facility for Liberty Industries UK Ltd and therefore there is and can be [REDACTED]
[REDACTED]
[REDACTED]

Questions

Given the potential impact of this loan on two Scottish entities, Scottish Ministers would welcome confirmation of the above four points and a response to the specific questions below:

1. Can you confirm whether there are any outstanding balances under Liberty Industry UK Ltd's CLBILS facility?
2. Do you still take the view that if none of the loan funds were advanced under the Liberty Industries UK Ltd CLBILS facility then there would be [REDACTED]
[REDACTED]
[REDACTED]
3. Can you provide assurances that any potential [REDACTED]
[REDACTED]

I look forward to your cooperation on this matter and your response in writing at the earliest opportunity.

Yours sincerely,



FERGUS EWING

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Sanjeev Gupta
Executive Chairman
GFG Alliance
7 Hertford Street
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5 May 2021

Dear Sanjeev

PURCHASE OF POT TENDING MACHINE FOR LOCHABER

Thank you for your letter of 27 April regarding the replacement pot tending machine for the Lochaber smelter. News that the business is planning to move ahead with this investment is positive and will be an encouragement to the smelter workforce at Fort William.

Your letter also requests the withdrawal of [REDACTED]

This matter was raised with me previously at the Lochaber Delivery Group meeting on 23 February and again in Jay Hambro's follow up letter of the same day.

As highlighted in my response to Jay dated 3 March, in principle, I can see a way that Scottish Ministers could consider [REDACTED]

[REDACTED] in line with the terms of the GRA.

While Scottish Ministers remain fully supportive of your investment plans for Lochaber, as demonstrated by our approval of the new business plan in January 2021, we have to consider this request in a wider context and particularly in light of [REDACTED]

[REDACTED] are important to us.

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In addition, we would appreciate a response to the information request attached in the annex to this letter to assist decision-making.

As you may know the election to the Scottish Parliament is taking place tomorrow (Thursday 6 May). [REDACTED]



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ANNEX – FURTHER INFORMATION REQUEST ON THE POT TENDING MACHINE

- i. What is the total cost of the new PTM?
- ii. When is the contract for the purchase of the PTM due to be signed and what are the payment milestones?
- iii. How will British Alvanca Aluminium fund the remaining balance for the PTM once the deposit has been made?
- iv. Please provide an update on when Commencement of Construction is expected to occur for your investment in Project Silver, including the billet plant and PTM in particular?
- v. What is the additional cost to be incurred prior to Commencement of Construction and where will the funding for these costs come from, in addition to the running and financing cost of your Lochaber businesses?
- vi. When will you make further [REDACTED]
[REDACTED]

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SCOTTISH GOVERNMENT NOTES OF PHONE CALL BETWEEN FERGUS EWING AND BRIAN KING AND TOM UPPINGTON – 31 MARCH 2021

Attendees:

Fergus Ewing, Cabinet Secretary for Rural Economy and Tourism, Scottish Government

Kate Higgins, Special Adviser, Scottish Government

[Redacted], Scottish Government

[Redacted], Scottish Government

Brian King, Chairman, Lochaber Operations, Alvance

Tom Uppington, Managing Director, Lochaber Operations, Alvance

Summary of points made in discussion:

The Cabinet Secretary indicated that he had requested the meeting to maintain dialogue with smelter management and understand any issues as they arise. Mr Ewing outlined that the Scottish Government are working hard on the GFG Alliance situation with the aim of preserving jobs at both Fort William (Lochaber aluminium smelter) and Dalzell (steelworks). He advised Brian King and Tom Uppington that he would be meeting with unions representing workers at both sites on 1 April 2021.

Update on business at Lochaber

Brian King advised the Cabinet Secretary that the smelter was performing better than it had for a number of years. The smelter has strong demand for their product, the price at which the product is sold is strong and climbing. [Redacted] Due to demand the smelter is bringing online production capacity that has been dormant for a few years.

Cashflow at the smelter is strong. Suppliers are being paid [Redacted], no suppliers are waiting for payment [Redacted]

[Redacted] remain the smelter's main customer and they [Redacted]

Engagement with workforce and unions

Tom Uppington outlined the site management's engagement with workers and union representatives. Tom is in regular dialogue with regional union representatives as a number of on-site representatives have recently stepped down.

The Lochaber site management provide a weekly news bulletin to the workforce. Tom has also engaged directly with the workforce both in written communications and face-to-face meetings.

Workforce Concerns

Brian King advised that [Redacted]

Hydro Tunnel meeting with local councillors

Tom Uppington advised that [Redacted] Tom has proactively arranged a meeting with local councillors, scheduled for 10 May. [Redacted] He will also answer any questions put to him by councillors.

The Cabinet Secretary thanked Brian King and Tom Uppington for their time and reiterated that his focus is on maintaining jobs at the site. Mr Ewing also advised both that he would be keen to maintain dialogue as matters unfold going forward.

MEETING BETWEEN SCOTTISH GOVERNMENT AND SANJEEV GUPTA

8 APRIL 2021

Attendees:

Fergus Ewing, Cabinet Secretary for Rural Economy and Tourism
Dermot Rhatigan, Scottish Government
[Redacted], Scottish Government
Sanjeev Gupta, GFG Alliance
Jay Hambro, GFG Alliance
[Redacted], GFG Alliance
[Redacted], GFG Alliance

Summary of points made in discussion:

Introduction

Fergus Ewing thanked Mr Gupta for joining the call at what continues to be a busy and challenging time for the business.

The Minister updated Mr Gupta on his recent calls with the trade unions as well as site management at Dalzell and Lochaber. Mr Ewing also informed Mr Gupta that his statement to Parliament was well received.

The Minister highlighted the importance of both sides maintaining this level of dialogue and that the Scottish Government hears of any progress made towards refinancing. Mr Ewing mentioned [Redacted] and asked Mr Gupta for more details on the [Redacted] informed officials of earlier this week. In particular, how had the [Redacted]

GFG situation

Mr Gupta confirmed that it continues to be [Redacted]

Overall the Group is enjoying a strong period of trade – most GFG businesses he said were in a “reasonably good position”. [Redacted]

The Australia part of the business is in the best shape with Continental Europe also doing well. [Redacted]

[Redacted] There is no resolution yet and the refinancing process in Australia will [Redacted]

[Redacted] Mr Gupta said the best outcome for all stakeholders would be achieved through cooperation.

[Redacted]

The Lochaber business is operating “better than ever” in the period of GFG’s ownership. Mr Gupta all the UK businesses could be profitable now if they had sufficient working capital.

[Redacted]

Mr Ewing asked for an update on the [Redacted]

Jay clarified that they propose to [Redacted] This would be done on normal commercial terms.

[Redacted]

[Redacted]

Mr Ewing asked about [Redacted]

Mr Gupta said GFG had progressed [Redacted]

[Redacted]

GFG are currently working through this with their [Redacted]

Salaries

[Redacted]

Investment at Lochaber

Mr Ewing raised a point made by Brian King (Chairman, Lochaber Operations, Alvance) on a previous call that following through with the purchase of the pot tendering machines (PTMs) for the new billet plant [Redacted] The Minister impressed on Mr Gupta that progressing this investment is important.

Mr Gupta said he was keen to progress the purchase of the PTMs.

Closing points

In closing Mr Ewing returned to [Redacted]

Mr Ewing closed by thanking Sanjeev and others for their time on the call and expressed an interest in keeping the dialogue open. A follow up call was agreed for next week.

**MEETING BETWEEN SCOTTISH GOVERNMENT AND SANJEEV GUPTA
[CLEARED BY CAB SEC]**

15 APRIL 2021

Attendees:

Fergus Ewing, Cabinet Secretary for Rural Economy and Tourism
Dermot Rhatigan, Scottish Government
[Redacted], Scottish Government
Sanjeev Gupta, GFG Alliance
Jay Hambro, GFG Alliance
[Redacted], GFG Alliance
[Redacted], GFG Alliance

Summary of points made in discussion:

Introduction

Mr Ewing thanked Mr Gupta for joining the call to follow up on their previous discussions last week.

The Cabinet Secretary summarised what had occurred since the last call, in particular Ministers' decision [Redacted]

Mr Ewing asked whether GFG planned to [Redacted]

[Redacted]

Mr Hambro updated that the refinancing of GFG's Australian businesses was progressing really well and at pace and should be completed within [Redacted] but hopefully sooner. [Redacted]

[Redacted]

Dalzell

Mr Ewing also sought an update on the Liberty Steel UK businesses and plans to furlough workers at the Dalzell site. [Redacted]

[Redacted]

Closing points

In closing Mr Ewing reiterated the need for [Redacted]

Mr Ewing closed by thanking Mr Gupta and others for their time on the call and suggested a further update from GFG in around a week's time.