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12 November 2020

Dear Jay

### Lochaber Guarantee – Milestone Investments

I write in response to your letter of 11 November 2020 to the Cabinet Secretary for Rural Economy and Tourism. Where defined terms are used in this letter, they have the meanings given to them in the Amended and Restated Guarantee and Reimbursement Agreement entered into on 6 July 2020 between the Scottish Ministers, SIMEC Lochaber Hydropower Limited and the Corporate Undertakers (as defined therein) (the “**GRA**”).

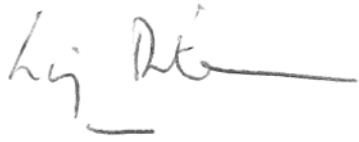
I am pleased to have reached resolution of these issues and, taking the numbered paragraphs in turn from your letter of 11 November 2020:

- (i) Scottish Ministers look forward to confirmation that [REDACTED] has been [REDACTED] into the [REDACTED] as soon as possible and on or before [REDACTED] as required under the GRA;
- (ii) Scottish Ministers accept your agreement to the Milestone Investment profile set out in Mary McAllan’s letter to you of 2 October 2020. I attach a copy of this agreed Schedule of Milestone Investments at Schedule 1 to this letter and which I agree shall apply; and
- (iii) I note and thank you for your agreement that the document titled “Lochaber – [REDACTED] of [REDACTED] and [REDACTED] of [REDACTED] for [REDACTED] (attached at Schedule 2 to this letter) shall relate to the understanding of all parties in relation to the matters set out therein and which I agree shall apply.

Scottish Ministers’ acceptance of the offer you describe in your letter of 11 November and as confirmed above is made at the [REDACTED] of the Scottish Ministers under [REDACTED] of the GRA, being a request for a Covid-19 extension of a Key Date.

The GRA itself remains in full force and effect between the parties thereto.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Liz Ditchburn", with a horizontal line extending to the right.

**Liz Ditchburn**  
Director General Economy

## Schedule 1

### Schedule of Milestone Investments

Milestone Date	Milestone Investment	Total Milestone Investment (Cumulative)
██████████ ██████████ ██████████ to ██████████	£██████████	£██████████
On or around ██████████ ██████████ and by no later than ██████████ ██████████	£██████████ being calculated as £██████████ less ██████████ ██████████ less £██████████ which is ██████████ and shall be due on ██████████ ██████████	£██████████
██████████ ██████████	██████████ where the ██████████ £██████████ shall be due on ██████████ ██████████	£██████████
██████████ ██████████	£██████████	£██████████
██████████	£██████████	£██████████
██████████	£██████████	£██████████
██████████ ██████████	£██████████	£██████████
██████████ ██████████	£██████████	£██████████
<b>TOTAL</b>	£██████████	-

## Schedule 2

Lochaber – [REDACTED] of [REDACTED] and [REDACTED] of [REDACTED] for [REDACTED]

1. GFG Alliance (**GFG**) has presented a [REDACTED] for Scottish Government (**SG**) consideration and this contains three separate activities: the billet plant [REDACTED] the port development ([REDACTED] and the water canning facility [REDACTED] (each a **Project**). This paper describes the agreed approach for the [REDACTED] of [REDACTED] per the amended Guarantee and Reimbursement Agreement (**GRA**), assuming that the [REDACTED] [REDACTED] is approved by SG.
2. GFG has reiterated its desire to see any and all elements of the [REDACTED] [REDACTED] as quickly as possible and believes that any proposals (whether in the GRA or not) that would have the effect of [REDACTED] the investment [REDACTED] to the pace of the [REDACTED] [REDACTED] of the Project would [REDACTED] be [REDACTED] for either party, given the [REDACTED] that GFG has [REDACTED] to come from the proposed [REDACTED]
3. GFG intends to proceed as quickly as practicable to the “[REDACTED] of [REDACTED] (defined in the GRA) for each of the Projects, taking into account any [REDACTED] or other [REDACTED] that may be required.
4. By way of process, therefore:
  - a. The [REDACTED] [REDACTED] will only [REDACTED] from the [REDACTED] [REDACTED] for [REDACTED] by GFG or for [REDACTED], in accordance with paragraph [REDACTED] of [REDACTED] of the GRA, to the [REDACTED] for any one of the three Projects once that Project has reached its [REDACTED] of [REDACTED]
  - b. Likewise the [REDACTED] will not [REDACTED] for any one of the three Projects above (eg for [REDACTED] or other [REDACTED] where that Project has not yet reached [REDACTED] of [REDACTED].
  - c. GFG has confirmed that the [REDACTED] submitted for each of the Projects does not have any [REDACTED] within them relating to [REDACTED] before [REDACTED] of [REDACTED] for the relevant Project, so there would be no categories against which any [REDACTED] of [REDACTED] could be [REDACTED] for any one Project.
  - d. There would, in effect, be three [REDACTED] [REDACTED] (s) of [REDACTED], one for each Project.
  - e. In line with a) to d) above, drawings in [REDACTED] of the [REDACTED] on [REDACTED] [REDACTED] will be possible where one or more of the Project(s), but not necessarily all Projects, have reached [REDACTED] of [REDACTED].
  - f. The [REDACTED] of the [REDACTED] under Para [REDACTED] of Part [REDACTED] of the Schedule to the GRA will only occur on the [REDACTED] of [REDACTED]
5. The Obligors confirm the [REDACTED] will only be asked to [REDACTED] of [REDACTED] in line with the terms of the GRA, with reference to clarification provided above.
6. The understanding above is the basis on which each of the Obligors and the Scottish Government (defined in the GRA) wish to [REDACTED] the [REDACTED] to act in [REDACTED] for [REDACTED]