

**SCOTTISH GOVERNMENT NOTE OF ONLINE MEETING BETWEEN IVAN MCKEE
AND SANJEEV GUPTA – GFG ALLIANCE
9 SEPTEMBER 2021, 10:00-10:30, MICROSOFT TEAMS**

Attendees:

Ivan McKee, Minister for Business, Trade, Tourism and Enterprise

[REDACTED] , Deputy Director, Manufacturing and Industries Division

[REDACTED] , Deputy Director, Rapid Response Division

[REDACTED] , Industrial Sectors and Projects

Sanjeev Gupta, Executive Chairman, GFG Alliance

Jeffrey Kabel, Chief Transformation Officer, LIBERTY Steel Group

[REDACTED] , Head of External Affairs, GFG Alliance

Summary of points made in discussion:

Introductory remarks

The Minister welcomed Mr Gupta to the virtual meeting, and set out that he was looking to follow-up recent written correspondence in order to gain an understanding of GFG's position from a Scottish perspective. Mr McKee referenced the wider refinancing efforts of the GFG Alliance and stated he is keen to hear Mr Gupta's perspective on the situation.

Mr Gupta offered to start the meeting by setting out the overall position of GFG.

GFG Alliance global position

Mr Gupta stated that two major events had impacted upon GFG in 2021: (i) the collapse of Greensill Capital and (ii) favourable market conditions. He reflected that had it not been for Greensill, GFG would be in a very strong position; however, even despite this situation, market conditions and the performance of GFG's assets meant his businesses stand in relatively good stead.

Mr Gupta outlined that his core focus and 80% of his time since March 2021 has been spent on the group's global restructuring and refinancing. [REDACTED]. The Group's governance structures were already in the process of being upgraded, but the situation had expedited that process. This involves an enlarged board and greater independence, and the creation of a Restructuring & Transformation Committee.

The first refinancing is Australia and this is expected to be complete by [REDACTED]. Mr Gupta stated that [REDACTED]

For the UK, GFG intends to implement [REDACTED]

On the European refinancing, this is the largest part of the GFG Group and therefore [REDACTED]. A workstream is focused on this area, is gaining momentum, and is hoped to conclude by the end of this year. Mr Gupta stated his hope is that by [REDACTED] the global refinancing operation will have concluded.

Mr McKee thanked Mr Gupta for the macro overview, and asked two questions: firstly, on whether the [REDACTED] involvement and whether this poses a challenge for Lochaber.

Mr Gupta responded by setting out Australia concluding would free up bandwidth allowing him/his management team to focus on the UK. Staff changes (a new CFO and CEO) were touched on and it was recognised there is still much work ahead. As well as freeing up financial and human resources for GFG to then focus on the UK, it's about sentiment and the message it sends: an endorsement from the market will assist with the UK effort.

[REDACTED] . Having got involved personally with Alvanca recently, his judgement is that [REDACTED] . [REDACTED]. The future strategy for the business in Scotland is to increase production and introduce recycling. Mr Gupta reflected on the current scale, market conditions, and Lochaber's remote location. The plan therefore is to add value to the base aluminium. The original alloy wheel factory plans became unfeasible due to the decline of the UK automotive industry, so the new plan is to double capacity and bring in recycling to capitalise on the UK exporting all of its scrap. This aligns with GFG's carbon neutral initiatives ('Carbon Neutral by 2030') and fits with Lochaber being a Low Carbon Primary Smelter. Mr Gupta stated he was very committed to Lochaber, and that [REDACTED].

Mr McKee stated this was a helpful update, and was pleased to receive reassurance and to hear commitment to longer term opportunities at Lochaber, in particular GFG's focus on carbon reduction which is important to the Scottish Government.

Lochaber payments

Mr McKee asked about the SG guarantee fee, the PPA payment to Bondholders, and [REDACTED] .

Mr Gupta stated that they are all related to the wider macro situation, and that the overall restructuring of the Group will allow businesses to be more proactive. The PPA payment is important to GFG and they recognise the importance for the SG, [REDACTED]. Mr Gupta set out that even following the collapse of Greensill earlier this year, [REDACTED] , they honoured their commitment. [REDACTED]. Regarding the forthcoming guarantee fee, [REDACTED]. On the project investment, [REDACTED] GFG is committed to the investment and believe it is important for the future of the business. [REDACTED]. GFG has setup some workstreams to examine options and opportunities following the refinancing, but believed it would be premature to discuss these now. Mr Gupta asked Mr McKee to revisit this a month on from now, once further progress is made with the refinancing.

Mr McKee thanked Mr Gupta for the reassurance and said that he understood the wider context.

Scottish steel sector and Liberty Steel Dalzell

Mr McKee reflected on [REDACTED]

Mr Gupta stated this was a good question. He reflected that Liberty [REDACTED] , and GFG would like to see increased production at the site. An interim working capital solution is intended to allow this to happen. [REDACTED]

Mr McKee reflected on market conditions, stating that there's a clear opportunity to maximise value. A question then followed regarding [REDACTED] and its impact. Mr McKee asked for reassurance that [REDACTED] . Mr Gupta was not aware of the [REDACTED]

On Mr McKee's question regarding GFG's future UK strategy, the response focused on green steel. GFG intend to move away from [REDACTED] . [REDACTED] . Mr Gupta reflected that the crises has helped GFG make decisions which aren't always easy to make in normal times, and stated he's committed to all businesses outside Scotland with the [REDACTED]

Mr McKee thanked Mr Gupta for being open. Officials were asked if they had any questions, to which [REDACTED] asked Mr Gupta about the imminent end of the furlough scheme and what GFG's contact is like with the UK Government (UKG).

Mr Gupta replied to say the end of furlough is important as [REDACTED] . Due to the positive market conditions GFG are hopeful, but it is accepted that the end of this month is key. And this cements the need to finalise the [REDACTED] [REDACTED] .

On GFG's interaction with UKG, Mr Gupta referenced Jeff Kabel's meeting with a Secretary of State and confirmed there is a regular dialogue with BEIS [REDACTED] [REDACTED] [REDACTED]

Concluding remarks

Mr McKee brought the meeting to a close by thanking Mr Gupta for his time and for providing a useful update; and agreed to the earlier ask of a future meeting to receive a further update as matters progress. Mr Gupta thanked the Minister.

Meeting ended

Actions:

- (1) GFG to provide a written update on the forthcoming guarantee fee (payment due to the SG [REDACTED]).
- (2) GFG to provide a written update on the Tata arrangement and Dalzell.
- (3) SG officials to organise a second meeting between Mr McKee and Mr Gupta during October (timing TBC based on wider context).

OFFICIAL SENSITIVE – COMMERCIAL

CALL WITH SANJEEV GUPTA – GFG ALLIANCE

BRIEFING FOR MINISTER FOR BUSINESS, TRADE, TOURISM AND ENTERPRISE

Date and Time	Thursday 9 September 2021, 10:00am to 10:30am
Where	Microsoft Teams meeting Join on your computer or mobile app [REDACTED] Or call in (audio only) [REDACTED] Find a local number Reset PIN
Why	Mr Gupta has invited Mr McKee to meet to receive an update on GFG's on-going global refinancing and restructuring, and the future business strategy of GFG.
Purpose	The purpose of the meeting is to: <ul style="list-style-type: none">i. determine Mr Gupta's willingness and ability to support the continued operation of the Scottish businesses in the short term through cash injection;ii. determine Mr Gupta's longer term ambitions for Lochaber regardless of the outcomes of the fate of the European Alvanca (aluminium) operations;iii. determine the content and maturity of any proposal concerning the Scottish businesses; andiv. press the importance to the Scottish Government of continued [REDACTED] at Lochaber.
Who	Ivan McKee, Minister for Business, Trade, Tourism and Enterprise [REDACTED], Deputy Director, Manufacturing and Industries Division [REDACTED], Deputy Director, Rapid Response Division [REDACTED], Industrial Sectors and Projects GFG Alliance Sanjeev Gupta, Executive Chairman, GFG Alliance Jeffrey (Jeff) Kabel, Chief Transformation Officer, LIBERTY Steel Group [REDACTED], Head of External Affairs, GFG Alliance
Support	[REDACTED]
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SPEAKING POINTS AND QUESTIONS

Meeting focus

- GFG's global refinancing and restructuring
- The Group's liquidity challenges
- GFG's UK strategy and plans for Lochaber and Liberty Steel Dalzell
- Lochaber investment ([REDACTED])

Introductory remarks

- Thank you for making time to meet and for the offer to give me an update on GFG's ongoing global refinancing process and plans for your Scottish businesses.
- I am now the lead Minister in the Scottish Government covering your key interests in Scotland following changes in Ministerial responsibilities after the last election.
- For today's meeting I am keen to understand how GFG's refinancing is going; to hear about your Group's future business strategy and what that means for your businesses in Scotland; and to discuss your plans for investment at Lochaber.
- I receive regular updates from my officials and external advisers, and I'm grateful for GFG's continued engagement with our advisers.

Points to raise

- If the refinancing doesn't conclude soon, how will you deal with the liquidity challenges you're currently facing – for example, the end of furlough?
- Do you have an overall timetable for your UK restructuring plan?

Lochaber

- Can you provide assurance today that [REDACTED]
- [REDACTED]?

Steel

- How critical is Dalzell to Liberty Steel's long term plans and what future investment opportunities are being considered for the plants?
- [REDACTED]
- [REDACTED]

MR MCKEE'S RESPONSE TO MR GUPTA'S OFFER OF A MEETING

Minister for Business, Trade, Tourism and Enterprise
Ivan McKee MSP
T: 0300 244 4000
E: scottish.ministers@gov.scot



Scottish Government
Riaghaltas na h-Alba
gov.scot

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

8 September 2021

Dear Sanjeev

Thank you for your letter to me of 1 July and your letter to Liz Ditchburn of 20 July. We are also pleased to be receiving regular updates on GFG's ongoing global refinancing and restructuring efforts via our advisers and officials.

We understand from your team that GFG is now reaching the final stages of **[REDACTED]** among your UK businesses despite current market buoyancy.

My main concern is to understand the future business strategy of GFG and what that means for your businesses based in Scotland and in particular to see the Lochaber project progress as envisaged in our agreement. The Scottish Government has supported your vision for greener metals production and downstream manufacturing in Lanarkshire and Lochaber, and we remain focused on ensuring the steel and aluminium industry within Scotland can flourish.

I would be happy to accept your offer to meet online to discuss GFG's current position and refinancing and to receive an update on the Lochaber project and Dalzell.

I look forward to meeting you and to a fruitful discussion.

IVAN MCKEE

MR GUPTA'S LETTER TO MR MCKEE



Mr Ivan McKee MSP
Minister for Business, Trade, Tourism and Enterprise
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

1 July 2021

CONFIDENTIAL AND LEGALLY PRIVILEGED

Dear Mr McKee

Liberty Steel Dalzell Ltd

Thank you for your letter of 27 June 2021. Let me first offer my congratulations on your re-election in early May and on your Ministerial re-appointment, albeit to an altered and expanded brief.

I anticipate that by now, your officials and advisors will have provided you with an update on developments surrounding GFG's refinancing and restructuring plans, in the wake of the recent Greensill Capital collapse; as well as providing you with a progress report on the investment projects at Lochaber and a situation report for Liberty Steel Dalzell Ltd (LSDL).

Enabling the long term success of GFG's operations in Scotland and ensuring jobs for years to come is one of the foremost matters in my mind at this time. In pursuit of those objectives, I know that the GFG team, as well as operational management teams at Liberty Steel and Lochaber, continue to engage constructively with your officials and advisors and I am confident this approach will endure.

In respect of your letter of 27 June and the matters you reference, which had been raised by Scottish Enterprise in a letter dated 23 June, which you requested I ensure a prompt response to, I can confirm that a substantive response was sent on 29 June. I have been advised by [REDACTED] [REDACTED], I am constrained by exactly what I can say about those matters. However, [REDACTED]. I am confident that has been corrected by the 29 June reply, which also confirms that the [REDACTED]

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[REDACTED] the 29 June letter to Scottish Enterprise also confirms that **[REDACTED]**. Scottish Enterprise's position as a secured creditor of LSDL has not been impacted.

I hope that while I have not been able to go into the specifics of the matter, what I have been able to confirm for you provides confidence that I, GFG and the operational teams at Lochaber and Dalzell, are committed to maintaining a positive and productive relationship with the Scottish Government, and public bodies in Scotland, to the benefit of the businesses, the employees, the communities and the economies those businesses support.

I would welcome an opportunity to personally update you on GFG' refinancing and restructuring developments, and the future of GFG, at your earliest convenience. Your officials will be able to make arrangements by liaising with **[REDACTED]** ([\[REDACTED\]@gfgalliance.com](mailto:[REDACTED]@gfgalliance.com)).

Yours sincerely

[REDACTED]

Sanjeev Gupta

Executive Chairman / GFG Alliance

MR GUPTA'S RESPONSE TO LIZ DITCHBURN



STRICTLY PRIVATE AND CONFIDENTIAL

Ms Liz Ditchburn
Director General, Economy
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

20 July 2021

Dear Ms Ditchburn

Lochaber – [REDACTED]

Thank you for your letter of 30 June and your acknowledgement of the beneficial discussions that have been taking place between the GFG team and officials and advisers in relation to the Lochaber investment plans and the GFG financing situation following the collapse of Greensill.

As the former Cabinet Secretary, Fergus Ewing MSP, indicated in his letter of 05 May, and as was noted in the 17 May response to that letter, the collapse of Greensill has caused a current squeeze on cash availability and had an impact on the normal ability to support operations. While refinancing continues and progress has been made, the 17 May letter identified that **[REDACTED]**

I appreciate that you are seeking certainty about the commitments made by GFG and would reiterate that initiation of discussions **[REDACTED]**, as indicated by the GFG team prior to inclusion in the 17 May letter, would be welcome. I'd be grateful if officials or advisers could set out with the team how that could be taken forward. Initial arrangements can be made through **[REDACTED]**, Head of External Affairs, who will ensure involvement of the appropriate personnel.

In respect of the PPA payment, I can confirm that payment has been made.

Yours sincerely

[REDACTED]

Sanjeev Gupta

Executive Chairman / GFG Alliance

MINUTES: DELOITTE'S REFINANCING CALL WITH GFG ALLIANCE – 02/09/21

This was one of a series of weekly GFG refinancing update meetings. [REDACTED]. [REDACTED]

Australia

- DS said that the refinancing of [REDACTED] [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Eastern Europe ([REDACTED])

- [REDACTED]
- [REDACTED]
- [REDACTED]

France (Alvance)

- DS confirmed that there was no change in the position on Alvance, which remains [REDACTED]

UK

- GFG had intended to provide an update on its UK restructuring this week or the next, potentially at the same time as confirming close for GFG Australian refinancing. [REDACTED] GFG is now considering its approach to the UK. The strategy is not finalised. DS undertook to inform us as soon as any further decisions were made regarding GFG's UK activities.
- DS is aware that the UK furlough scheme is scheduled to expire at the end of September. GFG has an overall strategy for the UK business including [REDACTED]. DS would not elaborate whether this might include businesses other than the [REDACTED]
- DS said that [REDACTED] was needed to fully restart the UK business this amount is not needed all at once but rather [REDACTED]. DS indicated that [REDACTED]

Scotland

- DS said that he is encouraging all GFG business units to be [REDACTED] can be provided if needed. This is consistent with the recent [REDACTED]
- [REDACTED] pushed DS on the [REDACTED] PPA payment of [REDACTED] which is due in [REDACTED] DS was not aware of the detail but indicated his belief that this would be paid [REDACTED]. We will monitor this on future refinancing discussions and at the forthcoming Guarantee Management Meeting.
- For Lochaber DS mentioned there is an internal corporate finance team in place monitoring cash the position for Lochaber as well as other UK entities (including Dalzell). SG's primary contact for Lochaber will remain [REDACTED].

GFG ALLIANCE – FMQ BRIEF

[REDACTED]

[REDACTED]

FMQ BRIEF – LIBERTY STEEL DALZELL (LSDL)

[REDACTED]

[REDACTED]

[REDACTED]
Manufacturing and Industries Division
17 August 2021

First Minister

MINISTERIAL ENGAGEMENT WITH SANJEEV GUPTA (GFG ALLIANCE)

Purpose

1. To inform the First Minister of plans for an online meeting between the Minister for Business, Trade, Tourism and Enterprise and Sanjeev Gupta (Executive Chairman, GFG Alliance).

Priority

2. Routine.

Ministers' Discussion

3. [REDACTED]

4. [REDACTED]

Context

5. Mr Gupta wrote to Mr McKee on 1 July 2021 in response to a letter regarding Liberty Steel Dalzell Ltd. In Mr Gupta's response, he invited Mr McKee to meet to receive an update on GFG's on-going global refinancing and restructuring, and the future business strategy of GFG.

6. Officials and our external advisers meet with GFG executives regularly and through these discussions we have learned [REDACTED]. In addition, our understanding is that there will be some further level of clarity regarding the global refinancing process and the longer-term strategy for the UK businesses towards [REDACTED]

Meeting Purpose / Protocols

7. In light of the developing situation with the Group as a whole, an update from Mr Gupta on GFG will be particularly useful at this point in time. The purpose of the meeting will be for Mr McKee to:

- i. determine **[REDACTED]**;
- ii. **[REDACTED]**;
- iii. determine the content and maturity of any proposal concerning the Scottish businesses; and
- iv. press the importance to the Scottish Government of continued **[REDACTED]** for investment at Lochaber.

8. The proposed timing of the meeting is late August/early September.

9. In advance of the meeting, both a formal agenda and a list of who is to attend from SG and GFG is to be agreed. The meeting is to be strictly business focused. Officials will be present and will take a full record of the meeting, and this will be circulated thereafter.

[REDACTED] / Cabinet Secretariat Advice

10. **[REDACTED]**

[REDACTED]

11. This advice was factored into the options DFM and Mr McKee considered. We also sought advice from Cabinet Secretariat on our approach to this engagement. Having set out our intentions for the meeting, as well as the planned protocols and audit trail, Cabinet Secretariat confirmed our handling is correct and reflects the standards expected as per the Ministerial Code.

Conclusion

12. We invite you to note the plans for a meeting between Mr McKee and Mr Gupta.

[REDACTED]

Manufacturing and Industries Division

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Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
First Minister Deputy First Minister and Cabinet Secretary for Covid Recovery Minister for Business, Trade, Tourism and Enterprise			X		X X

Permanent Secretary
 DG Economy
 Colin Cook, Director of Economic Development
 Callum McCaig, Special Adviser
 Leanne Dobson, Special Adviser
[REDACTED], Deputy Director, Rapid Response Unit
[REDACTED], Deputy Director, Manufacturing & Industries Division
[REDACTED], Head of Industrial Sectors and Projects
[REDACTED], Head of Rapid Response Unit
[REDACTED], Head of Business Response and Insights Unit
[REDACTED], Rapid Response Unit
[REDACTED], Rapid Response Unit
[REDACTED], Industrial Sectors and Projects

From: [REDACTED] on behalf of First Minister
Sent: 07 September 2021 17:44
To: [REDACTED] First Minister
Cc: Deputy First Minister and Cabinet Secretary for Covid Recovery; Minister for Business, Trade, Tourism & Enterprise; Permanent Secretary; DG Economy; Director of Economic Development; McCaig C (Callum); Dobson L (Leanne); [REDACTED]

Subject: RE: Submission - Ministerial Meeting with Sanjeev Gupta (GFG Alliance)

[REDACTED]

Apologies for the delay in getting back to you.

The First Minister noted the submission and had no further comments to add.

Best wishes

[REDACTED]

[REDACTED]

Private Secretary to the First Minister

5th Floor | St Andrew's House | Regent Road | Edinburgh | EH1 3DG | T: 0131 244 [REDACTED] | M: [REDACTED]



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From: [REDACTED][REDACTED] @gov.scot>
Sent: 31 August 2021 18:45
To: [REDACTED] @gov.scot>; First Minister <firstminister@gov.scot>
Cc: Deputy First Minister and Cabinet Secretary for Covid Recovery <DFMCSCR@gov.scot>; Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>; Permanent Secretary <PermanentSecretary@gov.scot>; DG Economy <DGEconomy@gov.scot>; Director of Economic Development <DirectorDED@gov.scot>; McCaig C (Callum) <Callum.Mccaig@gov.scot>; Dobson L (Leanne) <Leanne.Dobson@gov.scot>; [REDACTED] [REDACTED]@gov.scot>; [REDACTED] @gov.scot>; [REDACTED] @gov.scot>
Subject: RE: Submission - Ministerial Meeting with Sanjeev Gupta (GFG Alliance)

Hi FMPO,

Just wanted to check if [REDACTED]

A potential meeting between Mr McKee and Mr Gupta now would present us with the opportunity to hear first-hand what Mr Gupta's strategy is for the UK and the businesses in Scotland which we understand they are approaching some level of clarity on.

Kindest regards

[REDACTED]

From: [REDACTED] @gov.scot>
Sent: 17 August 2021 15:56
To: First Minister <firstminister@gov.scot>
Cc: Deputy First Minister and Cabinet Secretary for Covid Recovery <DFMCSCR@gov.scot>; Minister for Business, Trade, Tourism & Enterprise <MinisterBTTE@gov.scot>; Permanent Secretary <PermanentSecretary@gov.scot>; DG Economy <DGEconomy@gov.scot>; Director of Economic Development <DirectorDED@gov.scot>; McCaig C (Callum) <Callum.Mccaig@gov.scot>; Dobson L (Leanne) <Leanne.Dobson@gov.scot>; [REDACTED] @gov.scot>; [REDACTED] @gov.scot>
Subject: Submission - Ministerial Meeting with Sanjeev Gupta (GFG Alliance)

PS/First Minister

C.c. PS/Deputy First Minister and Cabinet Secretary for Covid Recovery
PS/Minister for Business, Trade, Tourism and Enterprise

Ministerial Engagement with Sanjeev Gupta (GFG Alliance)

Please find attached a submission to inform the First Minister of plans for a virtual meeting between Mr McKee and Mr Gupta. This note follows a recent discussion on this matter between the Deputy First Minister, Mr McKee, and officials; and it incorporates advice from both [REDACTED] and Cabinet Secretariat.

If there are any questions, please let me know.

Best,

[REDACTED]

[REDACTED] | Senior Policy Officer | Industrial Sectors and Projects

Manufacturing and Industries Division | Directorate for Economic Development | Scottish Government

[REDACTED]

PS/Minister for Business, Trade, Tourism and Enterprise

In advance of the Minister's meeting with Mr Gupta of GFG Alliance on Monday 25 October 2021, please find attached a briefing note. A pre-meeting is in diaries for 9am on Monday but, if there are any queries in advance, please let me know.

Regards,

[REDACTED]

[REDACTED] | Team Leader - Industrial Sectors and Projects
Manufacturing & Industries Division | The Scottish Government
3rd Floor, 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU

From: [REDACTED]
Sent: 16 September 2021 12:39
To: Deputy First Minister and Cabinet Secretary for Covid Recovery; Minister for Business, Trade, Tourism & Enterprise; Permanent Secretary; DG Economy; Director of Economic Development; [REDACTED]
Cc: McCaig C (Callum); Dobson L (Leanne); McAllister C (Colin) [REDACTED]
Subject: Off Sen: Commercial - Mr McKee and Mr Gupta meeting note
Attachments: Official Sensitive - Commerical - Meeting note - Mr McKee and Mr Gupta - GFG Alliance - Thurs 9th Sept.docx

PS/Deputy First Minister and Cabinet Secretary for Covid Recovery
PS/Minister for Business, Trade, Tourism and Enterprise
Permanent Secretary
Director General for Economy
Director of Economic Development
Special Advisers
Colleagues

Mr McKee met with Mr Gupta last Thursday (09/09) to receive an update on the GFG Alliance's current position and future plans. Please find attached a meeting note which has been cleared by Mr McKee.

The key points from the discussion:

- Mr Gupta and GFG remain committed to the UK and see a positive future in Scotland. The Minister was provided with reassurance that the Group is committed to the long term opportunities at Lochaber.
- Mr Gupta is committed to honour the financial agreements in place (guarantee fee to the SG and PPA payments to the Bondholders), and [REDACTED] and a final decision on the [billet plant's planning application](#) is known [the Highland Council Planning Committee will meet this Tuesday, 21/09]. Mr Gupta stated he understands the importance of this investment for the future of the business.
- The priority for the Group at present is to conclude the global refinancing and restructuring. Australia is expected to conclude by [REDACTED]
- [REDACTED] The aim here is to allow the UK businesses to increase production and take advantage of the buoyant market, and it's also intended to offset the impact of the furlough scheme ending imminently. An announcement regarding [REDACTED] is expected within this month.
- The future strategy for Scotland is to increase production and to introduce recycling. Whilst the wider UK strategy is focused on green steel, with a move away from the automotive components sector.
- GFG is in regular contact with UKG.

On the guarantee fee [REDACTED], Finance Director of Alvanca British Aluminium, confirmed yesterday that this payment has been made [REDACTED]

If there any questions regarding the meeting, please let me know.

Best,

[REDACTED]

[REDACTED] Senior Policy Officer | Industrial Sectors and Projects

Manufacturing and Industries Division | Directorate for Economic Development | Scottish Government

[REDACTED]

**SCOTTISH GOVERNMENT NOTE OF ONLINE MEETING BETWEEN IVAN
MCKEE AND SANJEEV GUPTA – GFG ALLIANCE
25 OCTOBER 2021, 15:00-15:30, MICROSOFT TEAMS**

Attendees:

Ivan McKee, Minister for Business, Trade, Tourism and Enterprise

[REDACTED] Deputy Director, Manufacturing and Industries Division

[REDACTED], Deputy Director, Rapid Response Division

[REDACTED], Team Leader, Industrial Sectors and Projects

Sanjeev Gupta, Executive Chairman, GFG Alliance

Jeffrey Kabel, Chief Transformation Officer, LIBERTY Steel Group

[REDACTED], Legal, GFG Alliance

Summary of points made in discussion:

Introductory remarks

The Minister welcomed Mr Gupta to the virtual meeting, noted that the situation at GFG had moved forward since the meeting in September and welcomed the recent, positive developments.

The Minister set out that he was looking to follow-up on the previous meeting and recent developments to:

- i. Obtain an update on the GFG debt restructuring / refinancing including the position in Australia,
- ii. [REDACTED]
- iii. Note the GFG PPA payment as planned on [REDACTED];
- iv. Understand what the recent financial restructuring meant in terms of Mr Gupta's commitment to Scottish businesses (Lochaber and Dalzell).

Mr Gupta provided a response to each point.

Refinancing in Australia & UK Funding impact on Dalzell

[REDACTED] It provided good news regarding funding in the UK and buys time. [REDACTED]. Mr Gupta noted that full restructuring was the next step for the UK steel operations with a completion target of [REDACTED].

Mr Gupta noted that if [REDACTED]

Mr Gupta noted that, when the overall restructuring was complete, it would enable increased production [REDACTED]. The [REDACTED] would be a very important development for Dalzell as it would provide raw material from within the Liberty Steel Group.

Mr Gupta noted that there has been good progress but recognised that there was more to do.

Lochaber including Project [REDACTED] Funding

Mr McKee asked whether, following the unlocking of finance, GFG can [REDACTED].

Mr Gupta reiterated his commitment to Lochaber and the billet recycling project but said there was [REDACTED]. GFG is working on a bespoke solution that will be presented to Scottish Government when ready. Mr Gupta noted that this [REDACTED] was a key matter to resolve and to enable the agreed plan to progress.

Mr Gupta noted [REDACTED]

In respect of power generation, Mr Gupta noted that the Fort William has [REDACTED] bio-diesel generator capacity that would make a huge difference to the operation of the plant. [REDACTED].

Mr McKee noted that Brian King, Chairman of Lochaber Operations, is to leave Alvanche British Aluminium at the end of November and sought further information on the plans to replace Brian and reassurance of a quick, positive appointment to retain continuity in driving plant development and production. Mr Gupta stated that there are plans for significant leadership change for GFG in Scotland to specifically shape its direction. The nature of the leadership change is not fully prepared but Mr Gupta confirmed that the intention is to update Mr McKee on this matter in due course.

GFG Speciality Businesses

Mr McKee asked for clarification of the position of GFG speciality steel businesses in its overall strategy. Mr Gupta confirmed that [REDACTED]. Mr Gupta confirmed that [REDACTED]

Clydebridge [REDACTED]

Mr McKee asked for an update on the [REDACTED] Mr Gupta suggested that an update could be provided when Mr McKee and Mr Kabel meet in November.

Alvanche – AIP

[REDACTED] enquired as to the current position in respect of Alvanche and AIP in Dunkirk. Mr Gupta stated that the current position was [REDACTED]. GFG has been [REDACTED].

Concluding remarks

Mr McKee brought the meeting to a close by thanking Mr Gupta for his time, for providing an open and comprehensive update and for the positive reassurance regarding progress in restructuring the debts arranged via Greensill.

Mr McKee noted that Jeff Kabel will visit Lochaber in November and confirmed the intention to meet in Glasgow, probably on 7 November.

Mr McKee and Mr Gupta agreed to meet again in a few weeks to review further progress.

Mr Gupta thanked the Minister.

Meeting ended

Actions:

- 1) SG officials to follow-up with GFG to clarify the **[REDACTED]** for restructuring the UK steel debt.
- 2) SG officials to seek further information in respect of **[REDACTED]**
- 3) SG officials to follow-up with GFG on the **[REDACTED]** plans for the Lochaber development.
- 4) SG officials to follow-up with GFG on the leadership changes planned for Scotland/Lochaber.
- 5) SG officials and GFG to confirm arrangements for Mr McKee and Mr Kabel to meet in November.