

Minutes

Subject: Lochaber Guarantee Management Meeting (Q3)

Venue: Virtual

Date: 30 September 2021

Participants: See end of Agenda

The meeting was held as a regular Guarantee Management Meeting (“GMM”) between SG and GFG, with advisers present, to update on financing and liquidity, financial performance at Lochaber and progress towards investment in the billet plant [Redacted]

1. Introductions

- [Redacted] noted SG and Ministers’ interest in Lochaber and GFG, and the importance of GFG transparency in the current situation. Specifically, JK responded positively reflecting comments Mr Gupta had earlier made to Ministers.

2. Refinancing

[Redacted]

[Redacted] - DS stated that the position remained fast moving but that GFG expected to reach financial close for the [Redacted] during October 2021. GFG’s approach is likely to move away from a [Redacted] refinancing towards a strategy where GFG would seek to reduce [Redacted]

- [Redacted] DS and JK reported that this refinancing was the first element of a global refinancing and [Redacted]

- [Redacted] [Redacted]

• [Redacted]

[Redacted]

- **Alvance** - DS and JK conformed that, whilst the Alvance situation [Redacted] They further confirmed that the Lochaber smelter would not be materially affected [Redacted]

- **UK Steel** – [Redac] indicated that GFG is preparing [Redacted]

- **Overall** – Whilst [Redacte] and JK provided an update, SG was left with the impression that [Redacted]

SG will request further information in writing.

3. PPA payment

- Mr Gupta had assured Ministers that the forthcoming guaranteed PPA payment of [Redacted] would be made on [Redacted]. DS noted that Lochaber will be [Redacted]. CB requested that this cost be included in the forecast Lochaber cashflows provided.

4. Milestone payment

- CB noted that the [Redacted] of [Redacted] Milestone Payments were seen as a signal of GFG commitment to Lochaber. DS appreciated the [Redacted], and reiterated all projects are important to GFG and are fully committed to [Redacted]. JK noted that [Redacted] for the next stage of progress towards [Redacted] and [Redac] agreed to confirm when [Redacted]

5. Lochaber financial performance

- [Redac] provided a detailed presentation for the Lochaber entities which were ahead of plan in the first 6 months of 2021. [Redac] and [Redac] acknowledged that the second half of 2021 would be behind budget, largely as a result of low water levels and high power prices.
- [Redac] confirmed that [Redacted]. He noted, however, that it was not profitable to import power for smelting given current power prices. As a result, of the [Redacted]
- [Redac] queried on demand if [Redacted]. [Redacte] commented on cell activity, the plan was to have [Redacted] June, but due to significant increase in LME, it was more profitable

at the time to increase production of metal, with an actual [Redacted] at the end of June. [Redacted] noted [Redacted] were offline due to rain shortage and increase in power costs, these will remain off due to power position and reduced production. [Redacted] also noted that some aluminium was being recycled (as opposed to primary smelting). [Redacted]

- [Redacted] and [Redacted] noted that water levels remain low, [Redacted]. A detailed presentation was given on the condition of the Hydro tunnels from which GFG concluded that the tunnels remained in good condition and would not require significant investment.
- [Redacted] advised that progress was being made on the grid connection, but it appeared that [Redacted] would be the earliest that the enhanced connection would be in place. [Redacted]

6. Progress on Investment [Redacted]

- [Redacted] gave a detailed presentation on Lochaber investment plans. Progress on [Redacted] (Billet Plant) continues, but the [Redacted]
- [Redacted] has achieved planning permission with relatively light planning conditions that GFG will work through. [Redacted] noted issues with [Redacted]. [Redacted] confirmed that [Redacted]. Broadly, GFG is continuing in line with plan although [Redacted]. [Redacted] also acknowledged that he had not yet received [Redacted].

Actions

1. SG to provide questions in writing regarding GFG's [Redacted]
2. GFG to inform SG when Alvanche British Aluminium has approval for spending required for the next phase of [Redacted]

Attendees

[Redacted]	[Scottish Government]
[Redacted]	[Redacted]
[Redacted]	[Deloitte]
[Redacted]	[GFG]

Deepak Sogani

Jeffrey Kable

[Redacted]

[GFG]

[GFG]

[Redacted]

Minutes

Meeting: GFG Alliance refinancing conference call

Held on: 24 February 2022

Location: Virtual – conference call

Present: GFG Alliance: Jeffrey Kable (JK), [Redacted]
PJT: [Redacted]
Scottish Government: [Redacted]
Deloitte: [Redacted]

GFG provided an update on [Redacted] refinancing, describing on-going progress but little material change in the position. GFG confirmed that Mr Gupta expected to send a “letter” to SG today confirming its intentions for investment in Scotland, including [Redacted]

[Redacted]

- JK reported after last week’s conversations with [Redacted]
- MD confirmed there is not yet approval for [Redacted]

UK and Australian Refinancing

- JK reported that Greensill and CSAM as the main UK creditors were aware of [Redacted] before petition was made public and supportive of GFG’s efforts to resolve the position. This refinancing is continuing with [Redacted]
- JK confirmed that the Credit Suisse winding up petitions (e.g., Liberty Commodities) are still in place for end March but that GFG believes that [Redacted]
- The Australian refinancing, key to advancing of [Redacted] is going ahead unaffected by recent developments.

European Refinancing

- MW reported the refinancing is progressing [Redacted]
- MW confirmed GFG is working with Greensill Bank and its lawyers in relation to [Redacted]

Ukraine

- GP questioned GFG's exposure to the unfolding situation in Ukraine, particularly as Marble Power (GFG's in house energy trading company) is believed to [Redacted]

Scotland plan

- JK reported he met with Minister on Friday 18th February 2022 and went through the outline of GFG's plans for Scotland, particularly continuing to develop and invest in [Redacted] ^{[Redac} noted the importance of additional [Redacted] being made. JK will send the "letter" setting out GFG's approach on 24th February 2022.
- JK also confirmed GFG expects to make the [Redacted]

GFG Alliance Refinancing Meeting

Meeting of 24 March 2022

Attending

SG – [Redacted]

GFG Alliance – Jeff Kabel, [Redacted]

PJT – [Redacted]

Teneo – [Redacted]

Note of Meeting

^[Redacted]/all agreed it has been a relatively quiet period for GFG in respect of media interest.

Australia (JK)

- Re-financing is on track to close [Redacted]
- [Redacted] is not for sale (despite recent reports) and is [Redacted]

- Progress in this region allows for other refinancing requirements to slip into place

East Eur (^[Redacted])

- Recognising the potential for change in due to conflict in Ukraine:
 - [Redacted]

However, lender appetite could be impacted by:

- No picture of long-term impact on supply lines
- Uncertainty over future commodity prices
- [Redacted]: a week or two behind but ^[Redacted] plan is reasonably well progressed.
- Business has a [Redacted]

[Redacted]

- ^[Redacted]: How is lender appetite? ABL market is different, but note the European HY bond market is effectively closed at the moment?
 - Yes, there is appetite albeit [Redacted] will have some impact on lender interest.
 - The question is of pricing and that the price of steel will offset input costs

UK (JK)

- Refinancing is still in the same place and will progress better once [Redacted] refinancing is complete
- Focussed on raw material supply
 - High energy prices are affecting all UK plants
 - Ukrainian mills devastated by war (most are understood to be in/near Mariupol) – expect significant supply impacts
- GFG is launching a [Redacted]

[Redacted]

- Ren wables and wind towers - big plate users; high pricing is not sustainable
- GFG has almost no exposure to the [Redacted]

Scotland (JK)

- Dalzell
 - No focussed update
- Lochaber
 - Accounts (all, not just Lochaber)
 - The goal is to issue accounts as they are ready for management
 - [Redacted]



- [Redacted]

- Making progress with other companies
- JK is confident in the accounts

- SFO
 - No further update - [Redacted]

Unions

- Still supportive
- Less energy hedging in the industry
- Cost of living increase will likely be a significant impact on workforce

[Redacted]



Other

[Redacted]



- Reaching conclusions on wind tower equipment - further demand likely
- JK will be in Scotland the week of 4 April, including at Lochaber

[Redacted]



[Redacted] , 28 March 2022

Lochaber GMM Q1 - Notes

1. Intro to the meeting

[Redacted] made introductions to new team members and introduced [Redacted] from Deloitte to the wider team.

2. Refinancing (JK)

JK passed on Deepak Sogani's apologies for not being able to join the call. JK explained the company is making progress with their [Redacted]

There is continued support on the UK side for capital funding for the business. Running costs such as energy still remain high and market prices for steel have held since the last meeting.

There is an issue of obtaining raw materials due to the conflict in Ukraine. AdeW noted that he has attended EU meetings regarding Russian sanctions [Redacted]

The EU understood the position but a wider political view will inform the decision.

In further areas in respect of sanctions, the EU is seeking from the broader Aluminium Industry Group a plan from businesses in response to likely reductions in gas supply in winter 2022/23.

[Redacted]

They are still keen to progress plans with Capital development for the business.

AdW mentioned that they were meeting with the European Commission regarding the [Redacted]

Deloitte asked for an update on timings for completion on the refinancing. JK explained that for Australia they were aiming for [Redacted]

JK outlined that the previously proposed Scotland 2.0 plan has been prepared but requires further work to finalise.

3. Future payments (JK)

It was confirmed that both the PPA payment due in [Redacted] and the Guarantee fee payment due in [Redacted] were on track to be delivered.

4. Financial performance of Lochaber Businesses [Redacted]

The business ended the year well. The smelter was just short of its [Redacted] being produced. TU noted that it was [Redacted]

. The combined business ended up with [Redacted] of profit from Q4. Energy prices continue to be volatile and high for the business and this is set to

continue until April 2023. The plan is to reduce to [Redacted] from May for the remainder of 2022 in response to high power prices.

The business discussed the grid connection. Ongoing cable installation is due to conclude at the end of the month. [Redacted] asked if there was more ability to export power. [Redacted] explained they have regular discussions on this and also that [Redacted]. Being able to export more provides an opportunity to sustain the business as it enables it to operate in the grid balancing mechanism.

It was noted that Covid has had an impact of staffing but not on output. The business is looking to reshuffle shifts to ensure there is adequate cover.

5. Site / ABA update

It was noted that KPIs are reported as the best ever year regarding pot measurement [Redacted] highest achieved on site and benchmarking well against similar technologies). [Redacted] as a consequence of action in response to high power prices and lack of rain. Overall, good site performance.

6. Lochaber projects [Redacted]

For the Billet Plant, [Redacted]

Billet plant customers are covered in the business plan with [Redacted] is a joint exercise with partners to verify billet marketing strategy. There will be a Sales Director joining to support this, bringing experience to this work.

On the [Redacted], there has been calls with [Redacted]

Outstanding cash needed to complete the project = [Redacted]

All other projects such as [Redacted] as the focus remains on the billet plant.

The business is seeking to recruit staff and has added a new Sales Director with significant experience in billet marketing strategies.

7. AOB

- a. JK - [Redacted] and JK spending lots of time budgeting and looking at projects on the estate which will provide commercial and community benefit.

- b. [Redacted] mentioned the potential for a visit to the smelter during the summer with the Permanent Secretary. Government colleagues will scope this out and look at dates.

Attendees

[Redacted] [Scottish Government]
[Redacted] [Scottish Government]

[Redacted]
[Redacted] [Deloitte]
[Redacted] [Deloitte]
[Redacted] [GFG]
[Redacted] [GFG]
[Redacted] [GFG]
[Redacted] [GFG]
Jeffrey Kabel [GFG]
[Redacted] [GFG]
Arnaud de Weert [GFG]

Minutes

Meeting: GFG Alliance refinancing conference call

Held on: 5 May 2022

Location: Virtual – conference call

Present: GFG Alliance: Jeffrey Kable (JK), Deepak Sogani (DS), [Redacted]

PJT: [Redacted]

Scottish Government: [Redacted]

Deloitte: [Redacted]

Teneo: [Redacted]

GFG provided an update on its refinancing in [Redacted], and the UK. [Redacted] is the next key refinancing but the timing of this remains uncertain. Despite recent press about [Redacted], JK and DS were confident this would progress and would allow funds to be released for other GFG businesses globally.

[Redacted] confirmed that the [Redacted]

UK and [Redacted] Refinancing

- JK and DS reported that the [Redacted] refinancing was progressing, the business continued to operate profitably and that GFG had a number of refinancing options.
- JK noted recent press that GFG might not be able to [Redacted]. He expected to have a more comprehensive update in 1-2 weeks.
- JK confirmed that [Redacted]. He believes a refinancing will be achieved before this.
- JK confirmed [Redacted]
- DS confirmed that the [Redacted] refinancing would release funds for investment elsewhere in the GFG Alliance, including the UK.

European Refinancing - [Redacted]

- [Redacted] reported the refinancing is progressing, with [Redacted]
- MW confirmed the [Redacted] for changes in the market and as a response to the situation in Ukraine. He noted that GFG's [Redacted] businesses continued operation at high capacity and remained profitable.
- DS noted that the refinancing may include an [Redacted]

UK refinancing

- There appeared little progress on [Redacted]
- DS reported that market prices for plate materials were strong and GFG [Redacted]
- DS confirmed that funds were available for investment in British Alvanca Aluminium, including the [Redacted] proposed by GFG.

[Redacted]

- [Redacted]

Auditors

- JK reported that GFG was progressing its late audits and that it [Redacted]
- [Redacted] DS suggested that finalising late accounts would [Redacted]

Minutes

Meeting: GFG Alliance refinancing conference call

Held on: 19 May 2022

Location: Virtual – conference call

Present: GFG Alliance: Jeffrey Kable (JK), Deepak Sogani (DS), [Redacted]

Scottish Government: [Redacted]

Deloitte:[Redacted]

Teneo: [Redacted]

GFG provided an update on its [Redacted] Infrabuild's [Redacted] along with other options open to GFG. JK reported, in the UK, that [Redacted]

DS gave an update on

GFG would not comment further on the [Redacted]

UK and Australian Refinancing

- JK and DS reported that the [Redacted] the business continued to operate profitably and that GFG had [Redacted]
- DS confirmed that GFG is [Redacted] He noted that [Redacted]
- DS confirmed that other lenders who knew GFG, were also interested in [Redacted] and this may give alternative refinancing options to GFG on a similar [Redacted] timetable.
- Any [Redacted]

European Refinancing _[Redacted]

- [Redacted] reported the refinancing is progressing, with preliminary diligence due to be complete in late May or early June 2022. Lenders will be approached in June 2022 asking for terms.
- [Redacted] confirmed the business plan was being updated for changes in the market and as a response to the situation in Ukraine.
- Financial close for **[Redacted]**

UK refinancing

- There appeared little progress on the UK refinancing.
- JK indicated that he was in **[Redacted]**
JK acknowledged that this is in contrast with what is being reported in the press, which had suggested that **[Redacted]**
- JK said he was not in a position to comment further on the **[Redacted]**

- JK indicated that the refinancing of the UK, Eastern Europe [Redacted] and **[Redacted]** are progressing **[Redacted]**
In earlier refinancing calls with SG, JK had indicated that, whilst **[Redacted]** was expected first, the three refinancings were not **[Redacted]**

Statutory Accounts

- DS will enquire about progress on statutory accounts for those UK companies that are overdue. He was not able to confirm whether GFG expected King and King to complete these audits or whether GFG's preferred approach was to appoint other auditors.
- DS will report back on this at the next refinancing update call.

GFG Alliance Refinancing Meeting

Meeting of 16 June 2022

SG –[Redacted] ISP

GFG –[Redacted]

Jeff Kabel

Deloitte –[Redacted]

- [Redacted] of GFG confirmed the [Redacted] is to allow GFG time to get marketing of the [Redacted] business underway in September when staff will be back from their holidays.
- [Redacted]

Credit Suisse Insolvency petition in England

- JK confirms matters still in hand and regular discussions are ongoing.
- [Redacted] despite the media reporting.

GFG loss of Belgian plant

- JK advises the companies involved are in discussion with each other, [Redacted]
- [Redacted]

Accounting

- [Redacted] asking about account process given it was a factor in AIP takeover.
- JK confirm [Redacted]
- GFG intends to submit unaudited accounts to Companies House with a disclaimer advising that GFG is seeking to have the accounts audited in due course.
- [Redacted] pressing on whether or not King and King have [Redacted] as auditors – JK advising they are still around [Redacted]

Australian refinancing

- [Redacted] continues to perform well.
- The creditors are still in the pool, still interested, and matters are progressing.

Agreed next meeting will be mid-August to check in on Infrabuild refinancing.

MINUTES OF THE Q4 GUARANTEE MANAGEMENT MEETING, 8 December 2021

Scottish Government, GFG Alliance, and advisers (attendee list below)
Wednesday 8 December 2021, 14:00-16:00, virtual meeting

(1) Introductions

[Redacted] introduced the session and noted the purpose of the Guarantee Management Meeting (GMM). There was acknowledgement of the importance of Ministers' accountability to Parliament and that the GMM formed part of the ongoing monitoring of the relationship between SG and the GFG Alliance. [Redacted] acknowledged the forthcoming Scottish budget, and stated there would be a revision to the Scottish Government's provision on Lochaber in the Consolidated Accounts. [Redacted] referenced Liz Ditchburn's recent departure as Director General for Economy, and set out that Elinor Mitchell has stepped into the interim role.

[Redacted] acknowledged Jeff Kabel's (JK) new position and JK outlined the new arrangement, stating why the role of overseeing the Scottish businesses at an Executive level is important, that he'd visited Scotland/Lochaber on a number of recent occasions including during COP (when he met with Mr McKee), set out the great potential including development opportunities of the Fort William site especially in relation to GFG's wider strategy, and how he would act as a direct conduit to the Board.

(2) GFG's refinancing and restructuring

[Redacted] outlined the latest on GFG's refinancing and restructuring, referencing the context that it's now nine months since Greensill collapsed, and that there had been significant progress across the globe.

In [Redacted] GFG has restructured their debt and has [Redacted] A new [Redacted] is in place. [Redacted] is now in an advanced stage and the advisory work continues. GFG are targeting a [Redacted] refinancing. In the UK, a range of options are being evaluated and this process will continue into 2022.

[Redacted] questioned the interdependences between the different regions. [Redacted] stated [Redacted] is a mature business and the [Redacted] [Redacted] is relatively mature, and [Redacted] is weaker due to [Redacted] Further acknowledgement was given that the [Redacted] due to [Redacted] and the businesses being impacted by Greensill's collapse.

[Redacted] asked about the [Redacted] exposure and the impact this has on the refinancing effort. [Redacted] stated this is not straight-forward due to [Redacted]

[Redacted] then asked about the [Redacted] and link with the refinancing process. [Redacted] stated he does not have the authority to speak on this matter given the sensitivity. [Redacted]

[Redacted] was keen to emphasise that [Redacted] asked about the Moody's notice on Infrabuild's credit status. [Redacted] stated it was unfortunate that Moody's had taken the decision to downgrade, that the business's is doing its best ever trading performance, and they expect the status will change in the future.

(3) Future payments

[Redacted] provided reassurance that the SG Guarantee fee continues to be paid every quarter and that the fee payments are now in GFG's cash flow reports. On the Purchase Power Agreement (PPA) payment to Bondholders, [Redacted] stated that GFG continue to ensure the wider Group will stand behind the required payments. [Redacted] acknowledged the inclusion of the Guarantee fee in the cash flow reports, and asked GFG to [Redacted] [Redacted] noted this request.

(4) Investment Milestone payments

[Redacted] emphasised the importance of investment at Fort William and acknowledged the scrutiny SG Ministers face on this area.

[Redacted] [Redacted] outlined that GFG are looking [Redacted] [Redacted] pressed the belief that GFG has in the project and that there will be proposals for the SG in the next couple of months. JK reinforced this and stated [Redacted]. JK stated Brexit has impacted upon the [Redacted]

[Redacted] asked about the Longstop Date, referencing [Redacted] JK stated Mr Gupta is well aware of his commitments at Fort William, and that they understand the [Redacted] and that they are keen to demonstrate progress.

(5) GFG financial performance of Lochaber businesses

[Redacted] provided a finance update. [Redacted] acknowledged [Redacted]

[Redacted] set out that the business [Redacted] [Redacted], but had returned to a [Redacted]. The business is reported to be [Redacted] from selling power to the grid, and it is [Redacted] [Redacted] acknowledged it an ongoing challenge to [Redacted]

On the grid connection upgrade, [Redacted] stated SSE had placed the relevant parts order, were due to install the transformers on site in January, and the aim was completion by mid-Q2. Work continues on compliance and no issues are forecast.

(6) Lochaber site

[Redacted] reported the Fort William site operations are in a good position. They are working to reduce site emissions. [Redacted] [Redacted]

[Redacted] reported a new Union official has been appointed in the past six months, and the Union

has recommended its members accept the latest 3 year pay deal offer. The business expect to receive the ballot result during December.

(7) Fort William projects

[Redacted] provided an update on the main projects at the Fort William site. [Redacted] acknowledged the planning approval which was granted in September, referencing that the pre-planning conditions are workable. On [Redacted], [Redacted] outlined [Redacted] has been approved internally. They continue to work on a contracting strategy. The Billet Plant will need [Redacted] to progress. [Redacted] asked about approval for this figure given the increase on the original estimate (budget was [Redacted]). [Redacted] stated this would be for senior GFG management to respond on. The [Redacted], whilst the [Redacted] project is on hold pending proof of concept of the micro canning plant.

(8) AOB

King & King

[Redacted] stated GFG has confidence in King & King as their auditors, [Redacted] and that they intend to continue using K&K in the near future.

GFG Statutory Accounts

[Redacted] asked about the publication of Simec and ABA accounts. DS stated his understanding is that Simec's accounts are due imminently/soon.

Mr Gupta

[Redacted] stated that a meeting between Mr McKee and Mr Gupta would be organised for January 2022. [Redacted] stated it would be good to see Mr Gupta present in the UK, particularly in Scotland, and asked if there are any plans for a UK visit. JK stated Mr Gupta would travel to the UK when it's feasible. JK outlined that [Redacted] and stated SG has ready access to 3 Board members, both of which highlight GFG's commitment to Scotland.

Estate Lands

DR referenced the interest SG Ministers have in the estate lands, and touched on GFG's [Redacted] on community land transaction. JK acknowledged the importance of the Fort William estate lands to GFG, the importance of the estate to the local community, and that he was personally going to be getting more involved in this area. JK intends to pick-up on the estate lands matter in the new year.

(9) Closing remarks

[Redacted] thanked attendees for their time and noted the usefulness of today's meeting and exchange of information.

Attendees

[Redacted]

Scottish Government

[Redacted]ted]
[Redacted]
[Redacted]
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