

OFFICIAL SENSITIVE – COMMERCIAL

CALL WITH SANJEEV GUPTA – GFG ALLIANCE
BRIEFING FOR MINISTER FOR BUSINESS, TRADE, TOURISM AND ENTERPRISE

Date/Time	Friday 7 October, 2022, 09:00 to 9.30 am
Where	Join on your computer, mobile app or room device Click here to join the meeting [REDACTED]
Why	To conclude discussion on the [REDACTED] [REDACTED] [REDACTED] and receive an update on progress towards conclusion of GFG’s global refinancing.
Purpose	<ul style="list-style-type: none">i. To discuss the [REDACTED] [REDACTED]ii. Confirmation that the [REDACTED] PPA payment will be delivered on timeiii. GFG to update on progress of their global refinancing and the impact of recent market events (e.g. metal prices, dollar strength, energy prices)iv. To understand more clearly [REDACTED] [REDACTED] in the context of winding-up cases against GFG companiesv. GFG update on [REDACTED] due to Liberty Steel Dalzell
Attendees	SG Ivan McKee, Minister for Business, Trade, Tourism and Enterprise [REDACTED], Manufacturing & Industries Division [REDACTED], Team Leader, Industrial Sectors and Projects [REDACTED], Senior Policy Officer, Industrial Sectors and Projects [REDACTED], Senior Policy Advisor, SCAD Catriona Matheson, Special Advisor [REDACTED] GFG Alliance Sanjeev Gupta, Executive Chairman, GFG Alliance Jeffrey (Jeff) Kabel, Chief Transformation Officer, GFG Alliance [REDACTED], Head of External Affairs, GFG Alliance [REDACTED] GFG Alliance
Contents	Annex A: Points to raise Annex B: Note of meeting between Mr McKee and Mr Gupta (GFG Alliance), 15 August 2022 Annex C: Mr Gupta’s 29 September response to the Minister’s letter (23 September) Annex D: Mr McKee’s letter to Mr Gupta of 23 September Annex E: Overview of local business performance

POINTS TO RAISE

Introduction

- Thank you for making time for the call.
- First, I would like to acknowledge that GFG has continued to meet its commitments relating to the guarantee fee and payments to bondholders – that is very important and something we reference positively in our external communications.
- I would like to cover (i) [REDACTED] [REDACTED], (ii) the insolvency cases that are coming to court shortly and (iii) Dalzell. But to begin with perhaps you can tell me about the global performance of GFG and progress with refinancing.

GFG global refinancing

Timetable questions

- How confident are you in the refinancing t[REDACTED]?
- When we last met you noted that the [REDACTED] refinancing is being [REDACTED] that GFG has managed to reach agreement with existing creditors in [REDACTED] and elsewhere. Has this now been achieved?
- You also noted last time that GFG had established an internal deadline [REDACTED] to conclude [REDACTED] refinancing. Is this on track and will it be achieved?

Market turbulence

- We've seen a lot of market turbulence in recent times affecting exchange rates (particularly dollar appreciation), energy prices and securities – how is that context affecting business performance and the refinancing discussions?

[REDACTED] [REDACTED] and next PPA payment

- On the profile of [REDACTED], we have been exchanging letters in recent weeks – most recently with your letter of 29 September.
- [REDACTED]

Insolvency cases and [REDACTED]

- Some of your UK steel companies and [REDACTED] are facing winding up petitions and these companies have [REDACTED].
- What can you tell me about these proceedings and the extent of the [REDACTED]?
- Can you help me to understand of [REDACTED] of the [REDACTED] and how they might be [REDACTED]?

Liberty Steel Dalzell

- I understand that [REDACTED] agreed by [REDACTED] in respect of the [REDACTED] have [REDACTED] in recent [REDACTED] resulting in an [REDACTED] of [REDACTED].
- If these [REDACTED] to the ongoing [REDACTED] of the Dalzell business, I would [REDACTED] that the position will [REDACTED].

**SCOTTISH GOVERNMENT NOTE OF ONLINE MEETING BETWEEN IVAN MCKEE AND SANJEEV GUPTA – GFG ALLIANCE
15 AUGUST 2022, 08:00-08:30, MICROSOFT TEAMS**

Attendees:

Ivan McKee, Minister for Business, Trade, Tourism and Enterprise
Colin Cook, Director of Economic Development
[REDACTED], Deputy Director, Manufacturing and Industries Division
[REDACTED], Team Leader, Industrial Sectors and Projects
[REDACTED], Senior Policy Officer, Industrial Sectors and Projects
[REDACTED], Head of Rapid Response Unit
Callum McCaig, Special Advisor
[REDACTED]

[REDACTED], Executive Chairman, GFG Alliance
[REDACTED], Chief Transformation Officer, LIBERTY Steel Group
[REDACTED], GFG Alliance
[REDACTED], Head of Government Relations, GFG Alliance

Summary of points made in discussion:

Introductory remarks

Mr McKee welcomed Mr Gupta acknowledging that there had been some [REDACTED] Mr McKee noted that the focus of the meeting would be [REDACTED] but indicated that Mr Gupta might begin with an update on refinancing and restructuring.

Refinancing and Restructuring

Mr Gupta said that steel market prices have halved and many GFG operations are struggling along with the rest of the industry. [REDACTED]

While Mr Gupta noted that there was [REDACTED], the [REDACTED] is [REDACTED]. GFG has established an internal deadline [REDACTED] that [REDACTED].

Mr Gupta said that [REDACTED] [REDACTED].

Mr McKee responded that the comment on the market makes sense, recognising that if metals prices rebalance [REDACTED]. Mr McKee thanked Mr Gupta for sharing timescales in respect of refinancing and asked if GFG foresaw any difficulty with restructuring.

Mr Gupta set out that the current restructuring plan [REDACTED]GFG is therefore seeking to conclude a full resolution of all remaining issues with creditors.

Mr Gupta explained that, while the agreement in [REDACTED]he confirmed that GFG is fully committed to [REDACTED] Mr McKee noted [REDACTED]

[REDACTED]

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Mr McKee impressed upon Mr Gupta that the priority for the Scottish Government is to see the [REDACTED] and development of Lochaber to secure its longer-term future.

Mr Gupta re-iterated his commitment [REDACTED]. Mr Gupta did, however, reiterate GFG's desire to push ahead on [REDACTED]. Mr Gupta stated that [REDACTED]. Refinancing is due to [REDACTED] in [REDACTED] and that is [REDACTED]. Mr Gupta asked Jeff Kabel to update on GFG's [REDACTED].

Mr Kabel advised the Minister that there are several projects GFG is currently focused on in Scotland: Glenshero wind project [REDACTED] where Scotland looked to be the most attractive location due to the conflict in Ukraine. On the estates side, he has reintegrated operations with the smelter and focused on priority tasks including the viability of longer-term projects. Mr Kabel explained that Scotland and Australia are the two main pillars of GFG's green strategy. Mr Kabel also advised [REDACTED].

Any other business

The Minister thanked Mr Kabel and Mr Gupta for the updates and asked officials if any other business had to be covered for the Scottish Government

[REDACTED] advised the Minister that, whilst the Scottish Government is keen to [REDACTED], given what Mr Gupta noted in respect of the [REDACTED] between SG and GFG.

Mr McKee noted that, while he recognised the [REDACTED], the priority for the government is to see [REDACTED].

Mr Kabel advised that he was aware that there had been some [REDACTED] in the press and reiterated GFG's commitment to provide the Scottish Government with support [REDACTED] Mr Kabel noted that the [REDACTED] seemed to be more aggressive [REDACTED] where there had been attention focused on the unaudited accounts which GFG had lodged with Companies House. GFG has [REDACTED].

Concluding remarks

Mr McKee thanked Mr Gupta for his time and the update.

Mr Gupta apologised for having to reschedule the meeting.

Meeting ended

Actions:

SG to consider with [REDACTED].

ANNEX C

MR GUPTA'S RESPONSE (29 SEPTEMBER) TO THE MINISTER'S LETTER OF 23 SEPTEMBER

29 September 2022

Dear Ivan

Lochaber Recycling & Billet Plant [REDACTED]

Thank you for your further letter of 23 September on the subject of the [REDACTED]. As noted in my letter to you of 29 August, the ability to [REDACTED] is currently [REDACTED] and will remain so until refinancing has completed. The working assumption remains that this will be concluded [REDACTED]. As a result, and [REDACTED] I set out in my last letter, being:

i Further [REDACTED] [REDACTED] [REDACTED] [REDACTED]

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- ii Further [REDACTED] [REDACTED] [REDACTED] [REDACTED]
- iii Further and [REDACTED], [REDACTED], [REDACTED] [REDACTED]

In respect of the request for agreement to remove the [REDACTED], it is my understanding that this is effectively achieved by provisions already set out in the [REDACTED] Guarantee and Reimbursement Agreement whereby Scottish Government [REDACTED] would be required for [REDACTED]. Perhaps our respective advisors could pursue this matter if further clarification is required.

I appreciate the [REDACTED] into the [REDACTED] at this time may be [REDACTED]. I can however assure you of my commitment to these being made according to the [REDACTED] in my 29 August letter. As always, I remain grateful to you, your officials and advisors for your [REDACTED] the shared desire to ensure a sustainable future for the Lochaber operations.

I look forward to providing you with an update on the progress of refinancing and restructuring in the very near future.

Yours sincerely

[REDACTED]
Sanjeev Gupta
Executive Chairman / GFG Alliance

cc.Jeff Kabel, Chief Transformation Officer

MR McKEE'S LETTER TO Mr GUPTA OF 23 SEPTEMBER

23 September 2022

Dear Sanjeev,

WITHOUT PREJUDICE – LOCHABER GUARANTEE

Thank you for your letter of 29 August in response to my letter of 18 August. I recognise the challenge facing GFG Alliance in respect of its ongoing refinancing and I look forward to hearing of the timely conclusion of refinancing in [REDACTED].

You proposed an [REDACTED] that would [REDACTED]. I have been clear in our discussions on the need to ensure there is an ongoing commitment to [REDACTED] in support of an [REDACTED] [REDACTED]. I am therefore prepared to [REDACTED] [REDACTED] on the following basis:

- [REDACTED] [REDACTED]A removal of [REDACTED]

All other terms of the [REDACTED].

Please confirm your [REDACTED] [REDACTED]. I will ask my team to [REDACTED]

[REDACTED]

I look forward to your response and my officials are in touch with your office to arrange our next discussion.

IVAN McKEE

LOCAL BUSINESS PERFORMANCE

The businesses at Fort William continue to perform well:

- No operational issues
- Running a [REDACTED]
- Fort William has seen a particularly dry autumn and the business has [REDACTED]. However, that i[REDACTED] due to recent rainfall.
- The business continues to manage well [REDACTED], accounting for rail strikes and line maintenance periods.
- Good progress continues with respect [REDACTED] planning.