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26 January 2024

Dear Richard,

Thank you for your letter of 15 December, seeking information as part of the Committee's continued scrutiny of new vessels for the Clyde and Hebrides. I have responded to your points in turn below.

Use of Non-Disclosure Agreements (NDAs)

As the Scottish Government has previously confirmed, an NDA was signed in preparation for confidential information being shared ahead of a contract award relating to the due diligence report on the costs for vessels 801 and 802. The other parties to that contract were Ferguson Marine (Port Glasgow) Limited (FMPG) and our advisors, Teneo Financial Advisory and Woodbank Marine. That NDA did not extend to the completed due diligence report. As it transpired, the NDA was only finalised by all parties on the day the contract was signed (29 September 2022), meaning it was immediately superseded.

With regards to the other NDAs referenced in my previous correspondence, these remain active and relate to ongoing commercially sensitive work. I am therefore unable to provide the details you request at this time.

Shareholder Authorisation

As you are aware, no decision has yet been taken on whether the broad principle of publishing shareholder authorisation can be accepted. The point previously made around commercial confidentiality was simply to highlight to the Committee that there may be various circumstances under which a shareholder authorisation is requested or provided and we therefore cannot guarantee that there would not be commercial confidentiality issues.

Similar to any instance of written authority, the disclosing of any details around shareholder authorisations would require Scottish Government to observe legal and contractual obligations in respect of the detail to be disclosed.

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Forensic analysis of FMEL's financial records

I acknowledge the committee's concern over this issue. The designation of FMEL as a public body requires to meet certain criteria, and may have implications for other such private companies engaged in delivering public services. We are therefore still in the process of examining the legal advice and potential implications. We remain committed to transparency and will continue to update Parliament and the Committee once a final decision on the specification of FMEL has been reached.

I thank the Committee for their continued scrutiny of these matters and look forward to ongoing engagement.

NEIL GRAY

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