



Clyde Blowers Capital IM LLP  
5 Redwood Crescent  
Peel Park  
East Kilbride  
G74 5PA

T: + 44 (0) 1355 575000  
F: + 44 (0) 1355 579600  
E: [info@clydeblowers.co.uk](mailto:info@clydeblowers.co.uk)  
[www.clydeblowerscapital.com](http://www.clydeblowerscapital.com)

Liz Ditchburn  
Director General Economy  
St Andrews House  
Regent Road  
Edinburgh  
EH1 3DG

8 October 2018

**CONFIDENTIAL – COMMERCIAL SENSITIVE**

Dear Liz

Thank you for your letter of 5 October 2018.

The current funding structure dictated by your advisors is fundamentally flawed. We have a fiduciary duty to protect and act in the best interests of our investors and investing further equity on the current terms would breach that duty.

The agreements entered into on 22 June 2018 contemplated and indeed provided for the situation where CBC did not provide further equity. We are not proposing that no further funding is provided by CBC. We are in a position to provide the further funds but only on the terms set out in our letter of 1 October 2018. The ability to have further funds invested into FMEL which will help protect the Scottish Government's position, is the commercial justification for the Scottish Government agreeing to amend the agreements as requested.

I agree that it would make sense to have a meeting to discuss the way forward. I am out of the office this week but if you can let me know your availability for the week after that would be great.

Kind regards



Partner  
Clyde Blowers Capital IM LLP