

Financial arrangements – key features

Contracts

- The existing contracts between CMAL and FMPG were terminated
- SG entered into a new contract with FMPG to deliver the vessels

Ownership of vessels

- CMAL transferred ownership of the Vessels to SG at market value
- The vessels are valued at completion and transferred back to CMAL

Governance

- The new contract includes suitable clauses to encourage efficient working by the yard
- CMAL provide technical assurance to SG

Budget

- The spend on construction comes from the Finance & Economy Capital Budgets
- The write-down of the voted loans is from Finance & Economy Resource Budgets
- Sufficient budget cover exists in 2021/22 to implement the arrangements

