



Clyde Blowers Capital IM LLP  
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Throughout this process, CBC has and will continue to act transparently, with honesty and integrity and we will do all that we can to protect FMEL and its employees in so far as it is compatible with the discharge of our duties to our investors which is our primary responsibility.

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

sincerely



Partner

3 August 2019

Dear Liz

We have been made aware of your letter of yesterday to the directors of Ferguson Marine Engineering Limited ("FMEL") and in particular your references to "veiled threats of disruption" by Clyde Blowers Capital ("CBC") and the damage which could be inflicted on FMEL by CBC's actions.

It is utterly outrageous that the Scottish Government should be making such defamatory remarks regarding CBC.

In our letter of 12 July 2019, knowing the procurement issues which will be faced with having private sector investment continuing within Ferguson Marine Engineering (Holdings) Limited ("FMEHL") should the Scottish Government acquire the CBC shares, to remove these issues we stated we believe it would be best for the Scottish Government and FMEHL to repay our £3m loan. Should the loan not be repaid however, then where our consent is required under any of the loan or security documentation or indeed, post conversion of our shares, any other constitutional document, then we will always have to exercise our rights having regard to the best interests of our investors which may not align with FMEL strategy or Scottish Government policy. This is not a threat but the reality of us discharging our duties to our investors lawfully.

in terms of the value for the acquisition of our shares in FMEHL, all we have requested is that we be treated fairly. When we first discussed this topic, the concern over a fair value process appeared to be the time it would take. Had the Scottish Government agreed to be fair at that point and appoint an independent expert, more than likely we would now be in a position where the expert would have concluded.

