

STRICTLY CONFIDENTIAL

Mr C. Mathieu
Chief Executive Officer
Brittany Ferries
E-mail to: christophe.mathieu@brittany-ferries.fr

8th July 2024

Dear Christophe,

Ownership and future viability of Condor Ferries

In our meeting of 27th June I was pleased to hear of your continued efforts to bring stability to Condor after many months of acute concern for a loss of lifeline sea connectivity. The level of uncertainty introduced to contractual arrangements governed by the Operating Agreement (“OA”) is wholly unacceptable and I hope you will agree that it is in the interest of all parties to substantively ease those ongoing concerns.

With Brittany Ferries (“BF”) having now taken the majority shareholding in Condor, I would strongly encourage you, in your capacity as CEO of BF, to provide me with written assurance that BF is able to guarantee Condor’s continued compliance with, and delivery of, the OA obligations and sailing schedules until expiry on 27th March 2025. Any further information you are able to provide that supports this assurance would be very welcome and further assist in de-escalation. I would ask that you give this your most urgent attention this week ahead of our next scheduled fix on charter vessel arrangements.

Whilst writing, I should also highlight that the OA requires Condor to provide an ‘exit and run-off plan’ for deployment in the event that a new agreement is struck with an alternative operator. With the closing date of our joint (with Guernsey) tender process it is important that we plan for all eventualities. The Harbour Master previously attempted to secure a credible plan from John Napton (correspondence attached) and this falls significantly short of what one might reasonably expect from a prudent operator.

Whilst John’s proposal included details of when and how Condor expects to close down operations on the island and end services, it does not address the key point in the requirements of an Exit and Run-off Plan (as defined in the Operating Agreement), namely that it should set out how Condor will

minimise the impact of cessation of the Services on customers as far as is reasonably practicable. Avoiding disruption to ferry users during any transition to a new operator is clearly a priority for the island authorities, and I am concerned that the potential impact on your customers does not appear to have been considered in the outline plan.

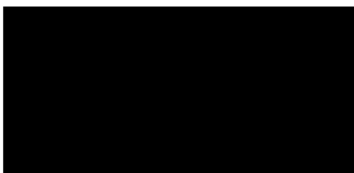
I would be grateful if you would reconsider your proposed plan and provide a revised version which is focussed on minimisation of disruption to customers (both passenger and freight). Whilst I appreciate that some details cannot be finalised until the future nature of the services is confirmed and the successful bidder identified, the plan should at this stage set out as a minimum the steps that Condor will take to minimise disruption, and the applicable timescales in the run-up to the transition date (including identifying any points that will need to be discussed and agreed with the incoming operator and Ports of Jersey).

As an experienced ferry operator, you will no doubt have a much more in-depth understanding of your customers and the practicalities associated with service transition, but I'd anticipate that the plan should consider issues such as (but not limited to):

- Timescales for the development and implementation of an agreed communication strategy for explaining the change in services to customers;
- Data protection considerations for obtaining consent and allowing transfer of customer contact details to the new operator where practicable;
- Transitional ticketing arrangements, for example in relation to return journeys that straddle the change in operator;
- Consideration of any staff who may be at risk of redundancy when Condor services to and from Jersey cease, so as to limit disruption to customer services;
- Consideration of the potential transfer of assets / supply contracts that Condor no longer requires but which may facilitate the smooth transition of the services.

I look forward to hearing from you with a revised plan, but if you would like to discuss this, please let me know.

Yours sincerely,



Deputy Kirsten Morel
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