

Mexico City, November 20th, 2019

Embarcaciones Pelágicas SAPI de CV  
Executive Board

Present

I write to you from my position of stake holder and President of the Board, to manifest my disapproval and nonconformity in relation to several events and situations that have been happening within the company's operation and that risk the safety of guests and crew alike, and will damage our reputation beyond repair.

My observations come from two angles. First, Operations in charge of Rodolfo Rodríguez, and second, on the level of executive decisions taken from General Management, in charge of Carlos Cornejo and Patricio Rodríguez.

It is worth mentioning that no one within the operation has informed me of any of the situations I will outline below. They have been brought to my attention by third parties, both inside, and outside the company.

## OPERATIONS

It is not new that Operations Management has been in "penny-saving" mode for the past couple of years, affecting service on-board and the guest experience in general. Even if I do not share this philosophy, I can try to understand it given certain situations, but only up to the point where passenger safety is put at risk, in which case I find it utterly unacceptable, and will enlist some examples:

- The search for cheap labor has resulted in several qualified captains resigning, and the inaptitude and incompetence of the current Vortex Captain. On the October 11th trip of the M/V Socorro Vortex, the boat (poorly anchored) drifted towards Guadalupe Island on two occasions, risking collision with the rocks, and putting the guests and crew at risk. The Captain, who I do not know, didn't become aware of the situation until the sailors and DM's brought it to his attention.
- The same Captain, a couple of weeks ago, was very close to collision with the M/V Nautilus Explorer while maneuvering inside of the Ensenada Marina.
- After a first incident of a great white shark getting inside of a cage on the August 14th trip of the M/V Socorro Vortex, my bait handling recommendations were ignored, resulting in another two similar incidents during the season.
- After these incidents, the cages were never rightfully repaired, to the point that they have had some joints broken during rough crossings to the island.
- M/V Socorro Vortex has been running the last few trips (more than 10) on one engine, possibly as a result of ignoring the required preemptive maintenance suggested by our Chief Engineer (Anex A1, A2, A3). Not completing the proper engine and systems servicing will result in much more expensive corrective measures, not to mention the risk of operating trips to far away islands on one

- engine alone, especially when our company policy was always to have redundant systems on every boat, precisely to be able to be operational during a mechanical failure.
- After the tragedy of the M/V Conception in California, where 35 people died, I sent an email to Operations with a series of recommendations, preemptive measures, and a new safety protocol regarding battery charging on board (annex B). This email was never answered and the new protocols were never executed. Since then, Red Sea Aggressor caught fire in a similar incident where one person lost her life.
  - Decisions have been made that antagonized local fishing communities in Puerto San Carlos, BCS, when Solmar V attempted to go to Magdalena Bay and directly impact the locals, and their sources of income and tourism activities in a negative way. You better than anyone know that my beginnings in this industry started through a non-profit trying to help the very same community.
  - The binding document where we as a company commit to financially support Guadalupe Island and its researches was never fulfilled. This document was signed and honored by all the other boats.

These and several other poor decisions force me to underline the indifference of the people in charge, and express my deep worry in face of the high risk of an accident that will result in the death of one or more passengers and/or crewmembers. I am in absolute disagreement with the lack of seriousness regarding safety on board, and reclude myself from any incident that may result from the way operations are being handled.

## GENERAL MANAGEMENT

During the past few weeks I have received several calls from key customers and suppliers complaining about the lack of commitment in how debt management is being handled, as well as not complying with payment plans proposed by us. Lies and excuses that have become standard procedure. I also found out that the current administration is using my name and reputation to give peace of mind to these people, reason behind the constant calls I have been getting from people who think I can help them. People to which I hold deep care and respect. In reality and as you well know, my hands are tied, and I have been kept isolated and uninformed from what's going on in the day-to-day operation.

This business management style has hurt the relationship with other companies and individuals that have a long, mutually beneficial relationship with us. Some examples:

- Great White Adventures
- Andy Brandy Casagrande
- Agencia Arjona
- JB Charters
- Club Cantamar
- Ecocimati AC
- CONANP
- Pelagic Life

The issues I address in this letter, all of them red flags that threaten the philosophy of the company I helped build, have been brought to my attention by guests, clients, suppliers, staff and crew. Never by the current Administration.

I take the opportunity to request detailed weekly operation and administration reports of EP and its subsidiaries in Mexico and the US.

I also demand to be removed from the responsibilities and debt attributions of Embarcaciones Pelagicas SAPI de CV, Industrias Solmar V SA de CV and its subsidiaries, specifically in regards to the leasing contract we hold with Unifin Financiera, as well as the condition I hold as Depositary for the ship Socorro Vortex.

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a stylized, abstract shape.

Jorge Cervera Hauser  
Founder & President of the Board  
Pelagic Fleet