

ESTUDIO JURIDICO SANCHEZ CALERO
LAWYERS

**To the Board of Directors of
PESCANOVA, S.A.
Rúa José Fernández López, s/n
36230 CHAPELA-REDONDELA
(PONTEVEDRA)**

Madrid, 10 September 2015

Dear Sirs

I. BACKGROUND

1. On 20 July 2015, I issued, at the request of the Board of Directors of PESCANOVA, S.A. ("PESCANOVA" or the "Company") a Professional Opinion regarding the "Meaning and scope of the breach of the creditor agreement" (the "Professional Opinion").
2. The main aim of said Professional Opinion was to analyse to what extent the proposal made by the Board of Directors of PESCANOVA dated 12 June 2015 (the "Board's Alternative Proposal"), which was ultimately not discussed at the General Meeting, could entail a breach of the creditor agreements.
3. The last conclusion contained in my Professional Opinion stated that said Proposal of the Board did not imply a breach of the creditor agreements approved in its insolvency or in those of its subsidiary companies.
4. According to the provisions of Spanish corporate law, certain shareholders of PESCANOVA entitled to do so have submitted a Proposal for an agreement, announced as relevant event no. 227905 (the "Shareholders' Proposal") which, in short, contains the following aspects:
 - 4.1. The elimination of tranche C) of the share capital increase allocated to PESCANOVA's shareholders, which would be acquired by the Company. In this way, PESCANOVA would reach

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a 19.99% stake in NUEVA PESCANOVA's capital, compared to the 4.99% established in the creditor agreements.

4.2. The reduction, by one-fourth, of the contributions which the creditors would have to make to the share capital increase, while maintaining their 80% stake in NUEVA PESCANOVA, as established in the creditor agreements.

II. REQUEST FOR A SUPPLEMENTARY OPINION

5. The Board of Directors of PESCANOVA is requesting an opinion to supplement the one already expressed in the Professional Opinion, this time in relation to the legal assessment of said Shareholders' Proposal and, in particular, regarding whether or not said Proposal could imply, if approved by the General Meeting, a breach of the creditor agreements mentioned above.
6. I have also been asked to provide an opinion regarding the compatibility of the creditor agreements with one specific aspect of the particular proposal made by the Board regarding the third item on the agenda [II, D] of the General Meeting which will decide on the share capital increase (the "Board's Proposal"): the change of the manner in which PESCANOVA pays up the increase in share capital of NUEVA PESCANOVA.

III. THE SHAREHOLDERS' PROPOSAL

A. The elimination of tranche C) allocated to the shareholders

7. The aspect regarding the elimination of tranche C) from the 15% assigned to the shareholders of PESCANOVA in the creditor agreements was already included in the Board's Alternative Proposal, which was the subject of analysis in the Professional Opinion. The same observations made therein, in relation to this issue, also apply here (see in particular section IV. A. of the Professional Opinion).
8. Thus, it is appropriate to state that the increase of PESCANOVA's stake in NUEVA PESCANOVA (which would be from the initially foreseen 4.99%, to 19.99%), by means of the acquisition of the tranche assigned to the shareholders of the Company cannot constitute an event of breach of the creditor agreements.
9. In view of this Shareholders' Proposal, it is important to highlight the fact that the interests of PESCANOVA's shareholders are in line with those of the Board's Alternative Proposal, which was the subject of analysis in the Professional Opinion. Again, this shows that the Shareholders' Proposal was reasonable, as it reflects that the

Company's interests are being upheld, as required pursuant to Article 227 of the Spanish Companies Act (*Ley de Sociedades de Capital*) ("LSC").

B. *The reduction of the creditors' share capital contributions*

10. The other aspect contained in the Shareholders' Proposal entails, in practice, reducing the share capital increase of NUEVA PESCANOVA proposed in the creditor agreements by nearly 30 million euros¹.
11. This represents a very substantial saving for PESCANOVA's creditors, since, in order to reach the same stake in NUEVA PESCANOVA (80%), they would have to pay up a much lower amount:
 - 11.1. On the one hand, the Insurers, subscribing the same percentage of the share capital [28.72% corresponding to tranche A)], instead of paying up €14,000,000, would only contribute €3,500,000. This would represent savings of €10,500,000 with regard to what was initially foreseen in the creditor agreements.
 - 11.2. On the other hand, the Creditors would also stand to benefit. Tranche B) of the share capital increase allocated to them would reserve the same percentage for them (51.29%), in exchange for them paying up a much lower amount of €6,250,000, notably less than the amount initially foreseen of €25,000,000. This would represent savings of €19,750,000 for them.
12. Since it was foreseen, in the creditor agreements, that the creditors make much higher contributions in exchange for acquiring the same percentage stake in NUEVA PESCANOVA, it could be defended that the Shareholders' Proposal does not "*affect*" them (since it is neither detrimental to, nor diminishes their credit rights acknowledged in the creditor agreements), to the extent this is required pursuant to Article 140 of the Spanish Insolvency Act (*Ley Concursal*) ("LC") in order for the creditor agreement to be considered breached, as was stated in the Professional Opinion.

IV. THE BOARD'S PROPOSAL

13. The creditor agreements established that PESCANOVA would retain 4.99% of NUEVA PESCANOVA's capital, based on the capitalisation of a fee for the services rendered to the latter, as follows:

¹ No remarks are included here on the fact that the Shareholders' Proposal omits figures, such as the final amount of the share capital increase, if it were accepted.

"(v) by means of the capitalisation of the credits resulting from the fee of EUR

2.44 million acknowledged to Pescanova by virtue of the Financing Offer, with Pescanova thereby accepting 4.99% of the resulting share capital following the Share Capital Increase".

14. The Board's Proposal which was ultimately discussed at the General Meeting only differs in relation to the creditor agreements in which PESCANOVA will keep a 4.99% stake in NUEVA PESCANOVA, based on the assets it contributes in the segregation, and not by virtue of the fee for services mentioned above:

"As a result of the Share Capital Increase, the Company will maintain a total stake in Nueva Pescanova representing 4.99% of the share capital following the Structural Modifications and the Share Capital Increase, together with the participations it already holds and those it receives in the context of the second segregation envisaged in said Structural Modifications."

15. This new manner of paying up the increase in share capital does not affect compliance with the creditor agreements. It is designed with unforeseeable financial reasons in mind which justify its being appropriate, since it is in response to the improvement of PESCANOVA's financial situation and to the significant capital contribution it is making to NUEVA PESCANOVA, a circumstance not foreseen in the creditor agreements.
16. In addition, the new manner of paying up the share capital increase is consistent with the mandate of Spanish corporate law, which requires that asset contributions be effective, and declares null those issues of shares and participations which do not correspond to an effective capital contribution (Art. 59 LSC).
17. Indeed, the new manner of paying up the share capital increase no longer permits having recourse to the "*reduction*" of the fee for services initially foreseen in the creditor agreements as an adjustment mechanism to ensure that PESCANOVA does not exceed 4.99% of NUEVA PESCANOVA's capital². But it is also true that, should said reduction not be sufficient, the creditor agreements already established that the

² The creditor agreements established as follows: "*In the event that the tranches of the Share Capital Increase referred to in points (i) to (iv) above are partially or entirely incomplete due to the failure to fully pay them up by the deadline set for this purpose, Nueva Pescanova's capital will be increased by the amounts paid up, thereby increasing the rest of Nueva Pescanova's shareholders' percentage stake in its capital, [and] the amount of the fee will automatically decrease by the necessary amount so that Pescanova's stake in Nueva Pescanova's share capital does not exceed 4.99% in any event*".

Insurers would be entitled to hedge those tranches, so that PESCANOVA would not exceed the capital threshold indicated:

"If the reduction of the fee is not sufficient to ensure that Pescanova's stake in Nueva Pescanova does not exceed 4.99%, the portion not paid up of the tranches of the Share Capital Increase mentioned in points (i) to (iv) above will be offered to the Insurers, who may subscribe it in the same proportion agreed according to point (i), to the extent necessary in order to ensure that Pescanova's stake in Nueva Pescanova does not exceed 4.99%".

18. Therefore, it can be understood that the substitution of the manner of paying up the share capital increase and, consequently, the disappearance of the adjustment mechanism mentioned (the fee for services), does not "affect" the creditors pursuant to the provisions of Article 140 LC and, as a result, this does not entail an event of breach of the creditor agreements. Several reasons support this statement:

18.1. The manner of paying up the share capital increase contained in the Board's Proposal does not affect the provisions of the creditor agreements regarding the pardon or postponement of the repayment of the debt, nor does it compromise the rights of the Insurers acknowledged therein.

18.2. On the contrary, the Board's Proposal maintains the Insurers' right to resort to hedging the unhedged tranches of the share capital increase. And it does so, substantially in the same terms as contained in the creditor agreements, in the event the fee decrease were not sufficient for this purpose:

"the portion not paid up of the mentioned tranches of the Share Capital Increase may be acquired by the Insurers, in the same proportion and for the same type of consideration indicated in section (A), to the extent necessary in order to ensure that the Company's stake in Nueva Pescanova does not exceed 4.99%".

19. Since this is an acknowledged right of the Insurers, who "may" exercise it (or not), depending on their wishes and interests, the effective exercise of such right can never constitute an event of breach of a creditor agreement. One party's action cannot be invoked as the cause of another party's breach.

20. Thus, it can be stated that the fact that PESCANOVA's capital contribution to NUEVA PESCANOVA is done by means of the acknowledgement of the assets which PESCANOVA allocates to NUEVA PESCANOVA, and not through the

acknowledgement of a fee for services rendered, does not affect compliance with the creditor agreements.

V. CONCLUSION

21. The foregoing considerations allow me to conclude that neither of the Proposals examined in this supplementary Professional Opinion (either the Shareholders' Proposal, or the Board's Proposal) entail a breach of the creditor agreements approved in relation to PESCANOVA, S.A. or its subsidiary companies.

Sincerely,



Prof. Mr. Juan Sánchez-Calero Guilarte