



SUPERVISORY BOARD OF DIRECTORS N.V. GEBE

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HAND DELIVERED AND PER EMAIL

The Honorable Mr. A. Meyers
Minister VROMI

Present

Sint Maarten, January 25th, 2016

Re: *Performance report Mr. William Brooks*

Dear Mr. Meyers,

The Public Entity Country Sint Maarten in its capacity of the sole shareholder of NV GEBE, hereinafter to be referred to as: "the Shareholder", requested the Supervisory Board of Directors of NV GEBE ("SBOD") by letter dated January 11, 2016 for a performance report on the Temporary Manager, Mr. William Brooks. This request followed what was discussed during the shareholders meeting of NV GEBE of December 15th and 17th, 2015. In that meeting the Shareholder stated that it wanted to make use of the unique opportunity/circumstance following the appointment by SBOD ex article 8 paragraph 11 of the articles of incorporation of NV GEBE of Mr. William Brooks as the Temporary Manager, to in short determine if Mr. William Brooks is a suitable candidate for a Director function within NV GEBE.¹

Mr. William Brooks has been appointed as the Temporary Manager by SBOD on December 3, 2015. A copy of his Assignment Agreement, with exhibits is annexed hereto as **Addendum A** and forms an inseparable part of this letter. To date, SBOD conducted three (3) formal meetings with Mr. William Brooks as the Temporary Manager, namely on December 14, 2015, January 14, 2016 and January 21, 2016. There has moreover been

¹ As is known, SBOD nominated Mr. William Brooks on June 18th, 2015 for the vacant function of Chief Executive officer of NV GEBE.



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frequent contact between Mr. William Brooks and members of SBOD, in particular my person as the Chairman of SBOD. One and other also in conformity with the Corporate Governance Code that in short requires frequent contact between the Chairman of SBOD and the Managing Directors and/or legal and/or factual representatives of NV GEBE.

The Audit Committee of SBOD is furthermore frequently appraised by the Internal Audit Department of NV GEBE of relevant events that take place within NV GEBE, as such also complaints and positions by – senior – Management of NV GEBE, also in particular on the functioning of Mr. William Brooks. When relevant, these matters are subsequently discussed within SBOD. Mr. William Brooks has subsequently, again in relevant cases/circumstances, been requested by SBOD to render reason and account.

Following the formal and informal contact and discussions with Mr. William Brooks SBOD was able to make some preliminary assessments based on actual performance, something that was not possible when considering who to nominate for the vacant function of Chief Executive Officer for NV GEBE.

The preliminary assessments of SBOD are as follows:

- (i) Mr. William Brooks displays proper technical knowledge for the relevant business affairs of NV GEBE;
- (ii) Mr. Brooks has so far shown an adequate working discipline;
- (iii) Mr. William Brooks has largely been able to, when asked for reason and account, explain his actions in a coherent manner;
- (iv) Contrary to the presently suspended Chief Financial Officer, Mr. Rene Gartner, Mr. Brooks has shown to at least understand complicated issues and so far maintained consistent positions, instead of constantly flip-flopping that SBOD regretfully became accustomed to when dealing with the suspended Chief Financial Officer, Mr. Rene Gartner;
- (v) Despite the fact that SBOD outlined the restrictions that are inherent to the function of Temporary Manager, Mr. William Brooks has, from starters, taken a lot of actions and decisions that violate the limitations of his function. He acts and continues acting as if he has been permanently appointed as a Director of NV GEBE;
- (vi) In a relatively short period of time Mr. Brooks has taken several appointment decisions, e.g. Mr. B. Kingsale as the Human Resource Manager, Mr. K. Chittick as the Manager of the Power Plant, Mr. E. Brooks as Interim Distribution Manager of NV GEBE that are certainly not required for the



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continued functioning of NV GEBE. These appointments constitute a violation of the competency of Mr. William Brooks as the Temporary Manager of NV GEBE;

- (vii) The appointments made by Mr. Brooks, in particular his appointment of his brother as the Interim Distribution Manager of NV GEBE, which went accompanied with the decision not to extend the contract of the person who was performing that function, namely Mr. G. Williams, shows clear characteristics of favoritism, not to say nepotism;
- (viii) It appears, despite some generic explanation given by Mr. Brooks, that no procedures were followed by Mr. William Brooks in coming to his appointment decisions. It is unclear based on what criteria, if any, these decisions were taken. In particular, the appointment of Mr. E. Brooks as the Interim Distribution Manager is questionable, considering previous warnings issued by NV GEBE to the person in question for failing to adequately perform same function. Furthermore, no justifiable/plausible explanation has been given as to why these appointment decisions were – urgently – necessary to safeguard the business continuity of NV GEBE;
- (ix) during the shareholders' meeting on December 15, 2015, Mr. William Brooks told the Shareholder that it had or was misusing the funds of NV GEBE, or NV GEBE itself for that matter, for its projects. This statement was inappropriate, to say the least and indicative of a lack of understanding as to how to properly conduct business affairs, or simply an unwillingness to do so. SBOD has noticed that this goes accompanied with an extremely stubborn and not compromising demeanor, that impairs solution finding and is in any case unfitting of a Chief Executive Officer;
- (x) Mr. William Brooks so far has shown an unwillingness and in any case great reluctance to understand the need for generic and more specific projects established by the Shareholder for NV GEBE. These projects were discussed several times by SBOD with Mr. William Brooks to also be able to assess his willingness and capability to realize these projects and therewith the general policy of the Shareholder, if and when he is possibly appointed as a Director of NV GEBE. Again, Mr. William Brooks has significantly different concepts and visions for NV GEBE that are -largely- not in alignment with the position by the Shareholder, SBOD and the articles of incorporation of NV GEBE, for that matter;
- (xi) specific advises, not to say instructions of SBOD, to handle long-standing matters, were not, at least not expeditiously followed up;
- (xii) Mr. Brooks has so far selectively and abruptly excluded certain persons within NV GEBE from his discussions and decision-making process in ongoing matters, whilst bringing in new persons to handle these matters. These decisions do not only violate his assignment as the Temporary



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Manager, they result in unrest and sentiments within -senior- Management and other employees of NV GEBE of being specifically targeted or excluded by Mr. William Brooks, for personal instead of objective business reasons.;

- (xiii) Mr. William Brooks maintained budget posts for work that was already carried out, e.g. business plan for NV GEBE;
- (xiv) Mr. William Brooks has finally taken some decisions or initiated the process of taking decisions that evidently require the consent of SBOD, without however consulting with SBOD beforehand. As such, the senior relief program of NV GEBE was canceled by Mr. William Brooks, whilst one of the specific policy projects for NV GEBE, as per the directives of the Shareholder is to further develop this program. Mr. Brooks is aware hereof. Another somewhat controversial decision or at least preliminary decision of Mr. William Brooks is the purchase of a company vehicle for his brother, Mr. E. Brooks, for an amount that nota bene exceeds the Naf 50,000. - limit for which a Managing Director can enter into transactions, without previous consent of SBOD. It's unclear whether or not this decision has already been taken in final form, or whether the decision is presently still being prepared. Regardless. the necessity and also ethical nature of such a – considered- decision remain questionable, to say the least.

Conclusion

Before taking the decision to appoint Mr. Brooks as a Temporary Manager, SBOD conducted various discussions with Mr. Brooks. The generic impressions of NV GEBE of Mr. William Brooks based - possibly - on his past performance was that he used to act in a somewhat arrogant, stubborn, dismissive and uncompromising manner. Since none of the members of SBOD where in function during the previous tenure of Mr. William Brooks as Chief Executive officer of NV GEBE, these 'statements' were taken with a cautionary grain of salt. SBOD however did specifically discuss them with Mr. William Brooks, in order to make its own preliminary assessment and more importantly ensure that Mr. William Brooks was aware of these matters. Next, to promote a better functioning of Mr. Brooks as Temporary Manager.

The core purpose of SBOD for discussing these issues, alongside with the specific job requirements of Mr. William Brooks, was to in short promote a better functioning of Mr. William Brooks and appraise him of the perceived sensitivities when it comes to the manner in which he directed NV GEBE in the past. Mr. Brooks's response thereto was in short that the lessons of the past were learned and that he was very much willing to move forward with addressing the core matters of NV GEBE, in an open and transparent manner, thereby



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respecting the various functions, positions and procedures in NV GEBE. This all, whilst maintaining open communication lines.

However, the actions of Mr. William Brooks within a short period of time, to a significant degree actually confirm the generic impressions about his functioning in the past, as related to SBOD by various key persons within the organization of NV GEBE and as discussed, as stated, specifically with Mr. William Brooks before his appointment as the Temporary Manager.

With the knowledge that SBOD presently has of the actual functioning of Mr. William Brooks, SBOD would, if asked right now by the Shareholder to take a decision on the nomination for the vacant function of CEO, not nominate Mr. William Brooks for that position.

I trust to have informed the Shareholder adequately herewith, on behalf of SBOD.

Yours truly,

Rene Richardson

Chairman