

To the Council of Minister of Country Sint Maarten,
Attn Mrs. Sarah Wescot-Williams,
Administration Building,
Clem Labega Square,
Sint Maarten

Philipsburg, March 30, 2011

Subject: Nomination of Mr. Rudolf Baetsen as a supervisory director
of the Central Bank of Curacao and Sint Maarten.

Nr. 2011/33.

Dear Council of Ministers,

Although it is not our intention to react to every bit of information that is published in the news, the publications suggesting a possible pending appointment of Mr. Rudolf Baetsen of the Atlantis Casino Group as member of the supervisory board of the Central Bank is so disconcerting that we feel duty bound to exercise our right under article 4, section 2 of the Eilandsverordening Corporate Governance (*De Corporate Governance Council adviseert onverminderd hetgeen verder in deze eilandsverordening is bepaald, het eilandgebied op diens verzoek over de toepassing van de in de Corporate Governance Code en in deze eilandsverordening opgenomen bepalingen. De Corporate Governance Council kan het eilandgebied daarover ook uit eigen beweging adviseren*).

We exercise this authority as pursuant to the "Boedelscheiding" the shares of the central bank have been transferred or are soon to be transferred to country Sint Maarten and as such is or will be a government owned corporation. We have insufficient information what the exact status is of this specific transfer and would appreciate receiving an up-date.

Temporary meeting address: A.T.Illidgeroad 106, Suite 2, Sint Maarten

For the Corporate Governance Council it is unimportant whether the candidate in question is proposed as candidate for Curacao or as joint proposal together with Sint Maarten, although for reasons of propriety we sincerely hope that the candidate is not backed by Sint Maarten.

It is abundantly clear that the combination of a connection with casino activities and being supervisory director of the central bank is wholly incompatible and undesirable. We refer to the extensive study that was executed by the OECD's FATF (Financial action Task Force) regarding the scope and opportunity of money laundering. See www.oecd.org/dataoecd/35/26/34968070.pdf and <http://www.fatf-gafi.org/dataoecd/47/49/42458373.pdf>. The casino as a business has special attention of anti-money laundering authorities as being particularly vulnerable to money laundering.

To the extent that Sint Maarten indeed backed the candidate we recommend that this is retracted without delay.

To the extent that the candidate is solely proposed by Curacao we recommend that Sint Maarten not only distances itself from the nomination, but also to protest against any appointment of this candidate on the grounds that his appointment would be:

1. Incompatible with his current business leading to huge scope for conflicts of interest;
2. Undesirable if the Central Bank, acting in the interest of both Curacao and Sint Maarten wants to be taken seriously in international context;
3. A deterrent for foreign investors when considering investing on the islands;
4. Not befitting a country that wishes to be taken seriously and considered mature enough to deserve country status.

We recommend that within the scope of the "Boedelscheiding" Sint Maarten insists on an amendment to the articles of association or agrees to a shareholders agreement where the minority position of Sint Maarten will be protected. One of the matters that have to be agreed upon therein is that any candidate proposed by the one party, the other party should have the right of approval, which approval is not to be unreasonably withheld, to avoid the appointment of any candidates which have similar undesirable characteristics.

"Sint Maarten: Take heed!"

Respectfully,
On behalf of the
Corporate Governance Council

Louis Duzanson
Chairman

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