

Private and Confidential

To: Supervisory Board of Directors of NV GEBE (SBOD)

Cc: Council of Ministers.

Philipsburg, October 12th, 2022

Subject: Suspension pending Investigation.

In addition to the letter of my legal counsel, I am writing this statement to counter the defamation of my character in the media. Unfortunately, the actions of the Supervisory Board of Directors (SBOD) and Council of Ministers (COM) have contributed to the perception with the general public that I am seemingly incapable, unwilling or compromised with regards to the Management of NV GEBE ("The Company") and especially the investigation into the ransomware attack.

Blackbyte Ransomware & Backup

Prior to my appointment as Temporary Manager of the company, I worked as the manager of the ICT-Department, since 2013. As of 2013 till 2021 I worked according to the existing infrastructure and policies as set by the Management Board back then and which policies were continued by the Management Board under the leadership of Mr. Chittick. The backup procedure/policy was part of the existing infrastructure, and was as follows:

- Microsoft Data Protection was being used to make daily backups which provide protection against unauthorized access to backup data by using its own encryption.
- Microsoft Data Protection data was stored on its own separate servers. This would ensure timely recovery in case of data loss.
- A yearly total backup was made on an external hard drive and stored for safe keeping. In the event of approaching inclement weather, a total backup would be made on an external hard drive and kept by the Management Board. As mentioned above, this was the approved backup procedure by the former Managing Boards.

Reports and recommendations on the ICT risks have always (largely) been ignored. In the various Management letters (2016 to 2018) the former Managing Board under the leadership of Mr. Chittick, and the SBOD, were made aware by Grant Thornton (GT), NV GEBE's then external financial auditors of these risks, such as the lack of a formal disaster recovery plan, the lack of a formal ICT security policy, amongst others (Appendix A).

I reminded the then Management Board in particular the Chief Financial Officer (CFO) Mrs. Arrindell (who was my direct superior) several times regarding the aforementioned. These concerns were mainly expressed during my performance appraisal system (PAS) interviews. Yet none of these recommendations were implemented by the former managing board under the leadership of Mr. Chittick (who was appointed for a full term of 4 years) or the SBOD, in the absence of a permanent managing board.

To further substantiate the above stated, the former CFO, Mrs. Arrindell went so far as to remove Cyber Security planning from my Final PAS Appraisal interview of December 2019, where it was included in my Mid-Term interview of August 2019. The CFO also removed the implementation of the ICT policies that was noted as Not Applicable (N/A) on my final PAS which were not only critical to the department but NV GEBE in its entirety. (Appendix B)

Please note as the then ICT manager, my role was limited to providing advice / recommendations to the Managing Board but the ultimate decision lies with them.

Prosecutor's Report

The ransomware attack has exposed the flaws of that bureaucracy in such a profound way, that a scapegoat apparently needed to be found. The Prosecutor's report, unfoundedly blaming me at that time the Temporary Manager of NV GEBE of noncooperation, was apparently the first salvo. Please note that I informed the KPSM of the ransomware attack on March 17th, 2022. Please note that I met with the KPSM on several occasions to discuss the ransomware attack for their report. Please note that on several occasions I extended my full cooperation to the KPSM and that an encrypted server was and still is available to them for forensic investigation purposes. However up to present KPSM has never contacted me for a follow up meeting or to request access to the evidence (encrypted server). Thus their statement of non-cooperation is incorrect.

Furthermore, the aim of all activities that took place under my management between March 17th, 2022, until the moment NV GEBE went back online on 6 June 2022, was always to restore as much data as possible and to go back online in a prudent manner taking all the risks and vulnerabilities into consideration. All decisions taken were geared towards this and were taken in good faith (in Dutch: 'naar beste eer en geweten'). The Supervisory Board was in total agreement with this approach.

Aurora InfoTech

The SBOD's resolution to suspend me was based on the Aurora Infotech report (as stipulated in the resolution of Sep 13th, 2022 (D) (ii). Aurora Infotech was hired by me, after proper consultation with, and approval from the SBOD, to investigate and assist with the recovery from the ransomware attack. Aurora Infotech's report contains numerous assumptions, speculations and observations without

proper documentation in the form of diagnostic reports to substantiate conclusions made. To clarify, there is no proof to confirm the allegations made in the report. Moreover, an independent firm with cyber security expertise vetted this report during my medical absence, and confirmed **that one third of the information** contained in the report could be found on the internet and raised numerous concerns on the assumptions and contents.

COM / SBOD

In December 2021 I was appointed Temporary Manager, my agreement expressly mentioned that I was not supposed to call a shareholder meeting to appoint a permanent director, as this was supposed to be handled by the SBOD and COM. I relied on my agreement and SBOD/COM's commitments to not follow the exact letter of the articles of incorporation of NV GEBE.

Consequently in that period (Dec 2021 - Aug 2022), I simply did not have the power to address anything else then ad hoc issues and to keep the status quo continuous. I was not allowed by the articles of incorporation to implement a new strategy nor to make the profound changes needed within NV GEBE. Both the SBOD and COM knew and understood that. It was even confirmed by NV GEBE's legal counsel on at least two occasions when I was requested by government to take decisions outside of my powers as Temporary Manager. Everyone understood that the tediously slow bureaucracy of government and its government owned companies were to blame, not myself.

Important to note that upon my appointment as Temporary Manager, I took note that NV GEBE under the leadership of the former Management Board, had been running as "a ship without a compass". This means that there was no contingency plan, no disaster recovery plan, no policies, no procedures, and no guidance on how to respond to the ongoing incident at NV GEBE. As a result once again, all decisions were taken **in good faith (in Dutch: 'naar beste eer en geweten')**. This too was communicated to the SBOD, who were de facto in control.

But from reading the media, I can already see that I am being made the scapegoat for a systemic failure (both technical and corporate governance) that far predates my time in NV GEBE's board room. The Shareholders' resolution to appoint a Temporary Manager / Special Representative was the second salvo, and the SBOD's resolution to suspend me the third. Note that I have been the executive of NV GEBE for about **two weeks** after which you deemed a suspension warranted for an investigation of which the scope and details remain unclear. Seeing my limited authority during the ransomware attack and aftermath, as well as you, the SBOD, being the Executive Management in the absence of a permanent Management Board, which means that all my decisions were taken with the **prior approval of the SBOD**, it strikes me as odd that a (notion) of conflict of interest would not apply to you as well. Yet you have made no apparent intent to recuse yourselves from your positions during the special representative's investigation.

On September 2nd, 2022 I received a phone call from the Prime Minister at 6:03 p.m. my first day as COO. During this conversation the Prime Minister informed me about the investigation into the ransomware attack, she also informed me of her intention to put me on inactive duty during the investigation, and that if the outcome of the investigation was positive (no irregularities were found) the next steps would then be taken. When I asked what the next steps meant, the Prime Minister said that she would do what needed to be done. **Based on her response and tone, I am left to assume that whether the outcome of the investigation is good or bad, she had already made her decision.** I immediately informed the SBOD via email of the Prime Minister's statement, which pre-determinately condemned me. However, the SBOD never acknowledged my email, nor reacted on me alerting them of my concern.

As mentioned previously, the ransomware attack took place under my tenure as Temporary Manager, however, my authority as Temporary Manager was extremely restricted combined with the fact that there was no disaster recovery plan or contingency plan in place. More important is that without a proper Managing Board, the SBOD is responsible and everything that happened since the former managing board's term ended (November 2020) until August 2022, when I was appointed COO, was under the authority of the SBOD.

- During my tenure as Temporary Manager, you have continuously been updated by me in meetings, phone calls, WhatsApp messages and with my reports (see Appendix C to name a few).
- During my tenure as Temporary Manager, the SBOD never raised any concerns regarding my performance or handling of the ransomware attack situation.
- On the contrary, the SBOD complemented me on my good performance and showed their confidence in me by signing me to my COO contract on May 18th, 2022, two months after the ransomware attack.
- In addition, Government pressured me to sign my COO contract post haste, on several occasions during the period after the ransomware attack and up until May 18th, 2022.

With regards to the appointment of Mr. Washington, please let the record reflect, that I have made the SBOD aware that appointing yet another new Temporary Manager / Special Representative (which is also questionable) with limited powers is not in the interest of the company, nor the people of St. Maarten. In return, your response was to accuse me of not following legal resolutions. Please note that I was merely not willing to accept a materially and legally wrong resolution. Furthermore, the fact that four out of six supervisory board members resigned, is a tell-tale sign.

There was no transition between Mr. Washington and myself prior to my suspension. During my suspension, Mr. Washington took a decision, on the second day as Temporary Manager, not to disconnect without having an overview of NV GEBE's financial status / situation. Please be informed that this was the sentiment of the Prime Minister, to not disconnect despite management solely being responsible for the operations of NV GEBE. At the time of my suspension the financial situation of NV GEBE was critical as NV GEBE had less than 30 million in reserves. As government & SBOD were made aware, as long as billing and collection is not fixed and dunning is not resumed, NV GEBE will have to continue to use its reserves in order to meet its monthly obligations. If this continues, NV GEBE's reserves will be depleted by January 2023, resulting in bankruptcy. Therefore, regardless of whom sits at the helm of NV GEBE, including Mr. Washington, will encounter the same challenges which were confirmed in his press release dated October 3rd, 2022 which is identical to all my previous press releases.

For the record, the SBOD is aware that the lien Sol Antilles NV placed on NV GEBE was not because of bad management, mismanagement / negligence. Sol Antilles NV confirmed in a meeting dated September 7th, 2022, that statements made by the Prime Minister posed a risk to their collection of funds from GEBE considering the Honorable Prime Minister guaranteed the consumers that there will be no disconnections.

In closing, I have been removed from my position without proper grounds or cause, which I have addressed in my letter to you, the SBOD, and the Shareholder of September 5th, 2022. I am accused of being unwilling to take voluntary leave.

I hereby once more offer my experience and expertise to finally do what I was (only) recently appointed to do, namely to steer NV GEBE out of this crisis. I implore the SBOD to reconsider its decision on my suspension.

Sincerely,

Merrill Temmer.

12/10/22

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Appendix C

Date: March - May 2022	Reference	SBOD	Minister / COM
March 17 th	Ransomware attack / Press release & SMS	X	
March 17 th	Ransomware attack (informed Min of Finance)		X
March 18 th	Request approval for engagement with Aurora Infotech Update on attempt of Aurora Infotech to decrypt infected files. Internal Notice regarding ransomware attack. Update on engagement with Fast Data Recovery (FDR)	X	X
March 19 th	Update on actions to be taken by FDR Update on informing SAP of the ransomware attack	X	X
March 20 th	Update on FDR & Aurora Infotech	X	
March 22 nd	Update on recovery progress.	X	X
March 23 rd	Update on Aurora Infotech and FDR progress. Update on proposed press release	X	X
March 24 th	Update on legal advice on Aurora Infotech contracts	X	
March 24 th	Update and response on unconfirmed letter to the Secretary of Kingdom Relations and Digitalisation. Response was also sent to the Prime Minister.	X	X
March 25 th	Meeting at COM on state of affairs with respect to ransomware attack.	X	X
March 31 st	An official report on the ransomware attack was sent to the Minister of VROMI, E. Doran. Copy of press release "Status Update" sent	X	X
April 6 th	Update on fake information circulating regarding power interruption, and Management's response to the fake news on Facebook and to all media outlets.	X	
April 22 nd	Report on ransomware attack update. Draft press release on reopening NV GEBE	X	X