

## PRESS STATEMENT

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Michelle Obama, in the midst of being attacked by scurrilous remarks during the lead up to the 2016 USA General Elections, declared “**When they go low, we go high**”. It is in this spirit that we seek to raise the exchange of public officials and wish to put an end to repeated rebuttals, in light of the kind of remarks by the Minister of Public Works, seemingly endorsed by the Cabinet in their silence.

### **Executive Chair Salary of \$300k**

During the Minister of Public Works’ preparation of a White Paper to Cabinet for the conversion of both the Chairmanships of Bahamas Power & Light (“BPL”) and Water & Sewerage Corporation to Executive Chairmanship, he requested some information of Nicola Thompson, of Human Resources Committee of BPL’s Board. The information requested was the history of compensation to Executive Chairs of BEC/BPL and the sitting Executive Director. In complying with the Minister’s request, one of the submissions was a spread sheet listing in detail the full salaries and benefits of the executive management of BPL with a comparison to those of PowerSecure’s which substantiated the \$3.3 million savings per annum. The salary base for the Executive Director, as listed, was not \$300k but rather both salary, and all gratuities and benefits totalled approximately \$300k. When questioned by Deputy Chair Patrick Rollins on how the \$300k was calculated, Mrs. Thompson responded that the value of the vehicle with gas allowances was factored in along with the base salary and other benefits.

At an earlier presentation, Nicola Thompson had indicated that at the conclusion of Executive Director Deepak Bhatnagger’s contract in October 2018, Mrs. Osborne, as the Executive Chair would step in as Executive Chair and perform the same functions as ED along with other duties. Minister Bannister immediately rebuked Mrs. Thompson and chastised her that it is the Minister who seeks Cabinet’s approval for Executive Chairs not the Board. The Organization Chart which was approved by the Board at the presentation and subsequently, never reflected both an Executive Chair and an Executive Director. To be patently clear, the Board never intended to maintain the position or replace the Executive Director, on the basis of redundancy, as this was considered a savings given Executive Chair had similar skills as outgoing Executive Director ie. Chartered Accountant. The Executive Chair’s salary set by the Minister was \$60,000 plus directors fees, vehicle and medical insurance as a part time post . The former Executive Director’s compensation was \$186,000 plus directors fees and allowances. It is our understanding that the recently appointed Executive Director’s compensation is the same as that of the former. Mrs. Osborne never once discussed with Minister Bannister an Executive Director post. To say anything to the contrary is simply put a mistruth. All discussions centered around Executive Chairmanship and there were no discussions between Minister Bannister and Mrs. Osborne concerning compensation of \$300,000. In private conversations, the Minister and Mrs. Osborne agreed the timing of her executive appointment and later the compensation. Mrs. Osborne’s compensation was not \$300k. In fact, Mrs. Osborne’s compensation was less than half of the figure quoted by the Minister. There was no constant pressure on the Minister to change the salary base but there had been a difference in understanding of the time commitment as the Minister indicated that the Executive Chair

only needed to be on a part time basis when initial discussions were based on full time attendance at the Company. The compensation level reflected the Minister's view and wishes after Mrs. Osborne had resigned from her job in the private sector.

Mr. Rollins was appointed as Executive Director by the Minister, without the approval of the Board, as required by section 5 of the First Schedule of the Electricity Act, 2015. The CEO did not bring a proposal to the Board listing the skill deficits which would be needed by the utility company and how Mr. Rollins' skills would fill the need. The Board was called to a meeting in July (by the Minister) and the announcement was made to members. Objections were made on the basis that the independence of the Board would be compromised by having 3 Board members or 50 percent of the Board holding executive positions. It was later discovered that whilst the Minister had opined that the contract of Mr. Bhatnager was untenable along with the compensation packages awarded to the CEO and COO, however, the identical terms were offered to Mr. Rollins six months later. In negotiations with Mrs. Osborne, with regards to the Executive Chair position, the Minister appeared to view the package of the Executive Director as too generous until the time to appoint the Deputy Chair to the executive level. The Board, upon learning that Mr. Bhatnager was earning Directors' fees on top of his \$186,000 base, moved to cease paying him his director fees.

*The information, as reported by the Minister, is both misleading and inaccurately presented.*

### **Make Up of Several Hundreds of Dollars**

BPL Public Relations Consultant had arranged for a number of staff to be photographed as part of a project to upgrade the Company's website and other corporate promotions. At the same time, a request was made by a magazine for photographs of Mrs. Osborne in her home environment, to tout her appointment as the first female Chair of BPL. BPL's PR Consultant arranged for a make- up artist to prepare Mrs. Osborne and the other staff members. The invoice submitted was not exclusively for the services of Mrs. Osborne. Mrs. Osborne's makeup costs included in this bill was \$45 or \$50. With the exception of group Board pictures taken when the Board was first appointed, this was the only makeup charge incurred by BPL for Mrs. Osborne during her tenure. In fact, the \$700 or \$750 makeup invoice that the Minister is now claiming to have been for Mrs. Osborne had nothing to do at all with Mrs. Osborne, but instead relates to a second group of BPL employees who were photographed for BPL's website or annual report. It is regrettable that the Minister has dragged a small business vendor into this unholy mess.

*The information reported by the Minister "a bill for hundreds of dollars in make- up services", is both misleading and inaccurately presented.*

### **Installation of Security System**

On the suggestion of Deputy Chair Patrick Rollins, all members of the Board were encouraged to assess the adequacy of their personal security. Mr. Rollins reminisced about an incident involving the destruction of his vehicles while serving as Chair of Nassau Flight Services. The reimbursement for

security cameras only was approved by the Board with one objection. Mrs. Osborne already had in place a security system, but pursuant to the approval of the Board, additional cameras were added.

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### **\$20,000 donation by BPL to Bahamas Institute of Chartered Accountants**

A \$20,000 advertising fee was approved by the CEO for BPL's participation in a speaking engagement for the Institute of Chartered Accountants of the Caribbean Annual International Conference which was held at the Atlantis Hotel in June. The CEO approved and was himself scheduled to be a featured speaker with the intentions that the Shell NA deal would be unveiled. This engagement was withdrawn by the Executive Chair for two reasons:

1. the Shell MOU would not have been finalised before the scheduled engagement, therefore no funds were disbursed
2. The speaking engagement itself was not deemed to be critical at the time

A similar speaking engagement was also approved for the Platts Energy Conference hosted at the Grand Hyatt, Bahamar in January. Minister Bannister brought remarks at the opening of the event and several Board members attended. BPL's Chief Operating Officer spoke on behalf of BPL in the speaker's slot.

*The information, as reported by the Minister, is both misleading and inaccurately presented.*

We now wish to address the issues of "gridlock" put forth by the Minister as presented to the media.

### **Shell MOU**

Cabinet approved the award of the contract for new generation to Shell NA. As members of the Technical Committee, Directors Heastie and Rollins were tasked to arrange for the Memorandum of Understanding ("MOU") to be presented to the Board. The first version of the MOU was issued to Board members on 28th June, 2018 by Director Heastie. By e-mail exchange, Board members weighed in on the document which was later circulated to external legal counsel for review. The lead law partner on BPL's matters was on vacation and some time was lost awaiting his review. Upon learning of his absence, Chair Osborne directed the Manager of Legal to request another partner within the firm to review the document. Meanwhile, Director Dean had put forward a number of questions which had been primarily ignored by the Technical Committee. In seeking to have all Board members' views and the legal issues addressed, Chair Osborne specifically asked that Director Dean's queries be addressed along with a few posed by her. Even while on vacation outside of the country, she continued to ensure that all aspects of the MOU were vetted and that the process was not stalled. After noticing a delay in progress, she sought out the Manager of Legal about the urgency of finalizing the document and was informed that Director Rollins issued instructions to put the MOU on hold. This direction was given days before the agreed signing date with Shell and without the knowledge of the Chair and other members of the Board. Chair Osborne then issued an e-mail to Director Rollins inquiring on what basis the Shell MOU was put on hold to which a response was never received.

A few days prior to Director Rollins' issuance of the "on hold" instructions, Minister Bannister issued a directive to Chair Osborne via Director Rollins to sign the MOU by end of the same day. Chair Osborne responded that all of the directors' concerns and some other legal issues had not been settled and the document was not ready.

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### **Board Meeting & Board Communications**

A Board meeting was set for August 13, 2018 and a few hours in advance of the scheduled meeting Directors Heastie, Rollins and Bethell submitted regrets of attendance. Subsequently, Chair Osborne emailed a note to Minister Bannister highlighting that the Board meeting was non quorate and therefore several critical issues could not be addressed amongst which was the Shell MOU. The following morning (August 14), Director Bethell issued a response e-mail to Minister Bannister criticizing Chair Osborne's assessment of the quorum needed for the meeting and attached a 2017 version of the Company's Articles. Director Thompson, who along with Chair Osborne comprised the Finance Committee, pointed both Minister Bannister and Director Bethell to the 2018 version of the Company's Articles which proved that Chair Osborne's and the Company Secretary's assessment of the quorum for a meeting to proceed was in fact correct.

There appeared to have been a clear attempt to undermine Chair Osborne's authority after challenging both Minister Bannister and Directors Heastie and Rollins on the manner in which she was circumvented in the planning of the China trip and the exclusion of a company executive. This sense of offence appeared to intensify after the Finance Committee (of Osborne & Thompson) guided the Board to use the interim financing for the original intent. The original earmark of funds were allocated to the VSEP settlement, Advanced Metering Infrastructure (AMI) initiative and the many capital projects which had been languishing due to lack of funds. This approach also supported declarations which had been made to the lending syndicate.

On May 4, Directors Rollins and Heastie had counter proposed to the Board that BPL enter into the consortium with Shell and use its available funds from the interim financing to build the LNG plant and by so doing could reduce the financing cost of the plant. The Board had given the Technical Committee the approval to gather and present the information to the Board for construction of the LNG plant so that an informed decision could be made. Directors Heastie and Rollins continued to travel and meet with contractors, without pre-advising the Chair or other Board members. The Chair and other Board members chastised them and insisted that all prospective contractors be brought to the Company to make presentations. Director Heastie seemed particularly angered when the Board refused to finalize a decision to build the plant, on the insistence of Chair Osborne that a tender report must be presented to the Board by the executives of the Company as is the normal protocol. On the day that a member of the executive made the presentation, the Finance Committee recommended that the cash flow could not support the construction of the plant by BPL until the Rate Reduction Bond funding was in place.

### **CEO's Exclusive Right to Hire & Fire**

Another contentious issue was the CEO's exclusive right to hire and fire executives without approval from the Board. The most forceful defence supporting the CEO came from Director Bethell who based

his opinion of the CEO's Contract and the Board HR Charter, in spite of the clear language of section 5 of the First Schedule of the Act. Other Board members also weighed in on the documents but also referred to the CEO's Job Description where Board approval was noted. In the midst of the debate, Chair Osborne requested that external legal counsel provide an opinion, but was restrained by Minister Bannister. The trigger event for the debate was Director Thompson's discovery that the candidate recommended for the Director of Security position did not meet the degree criteria as advertised.

In the spirit of transparency, we join with the Minister and support the release of all expenses submitted to the Company by Mrs. Osborne. We also encourage the release of the same information of all former Board members. We also encourage that information on the travel of all Board members be itemized, who approved the travel and the purpose of the trip. We also request that the public be informed as to why Director Rollins continued to travel in the place of company executives even after being cautioned that it was not in accordance with proper standards for any institution, as, in our opinion, it compromised the integrity of the Board. A statement on Director Rollins remaining a part of the executive of the Company after resignation from the Board also ought to be accounted to the public. The public might also appreciate an explanation as to why Director Bethell (only director of the so called dysfunctional board) was reappointed to the new Board.

We are not politicians and have no agenda, as private Bahamian professionals, we agreed to serve BPL competently and honestly. We simply wish to move on with our private lives. We have refused every offer for appearances on radio, television or any other form of media as proof that we do not wish to be a distraction to the new Board or the country. One of two regrets is to hear members of the general public now opine that the defamatory reaction by the Minister supports the reason that few individuals are willing to serve on national Boards. The other regret is to hear reactions from Bahamians living abroad that the Minister's remarks to humiliate private citizens confirmed their resolve to continue contributing to the brain drain and contribute their talents to other countries. Nonetheless, we are grateful for the opportunity to have served the Company and our country. It was an esteemed honour. We remain committed to assist the newly appointed Board in transition and to making a difference in our community wherever we are called to serve.

Mrs. Darnell Osborne – former Executive Chair

Mrs. Nicola Thompson – former Finance Committee Chair

Mr. Nick Dean – former Procurement Committee Chair