



Camayan Wharf, West Ilanin Forest Area, Subic Bay Freeport Zone 2222, Philippines * Tel. No: (63-47)252-9000 Fax No: (63-47)252-5883

SBMEI Board of Directors Declaration

We, the members of the Subic Bay Marine Exploratorium Inc. (SBMEI) Board of Directors, duly elected in accordance with Philippine laws and in full compliance of the rules and regulations set forth by the Securities and Exchange Commission as the duly authorized Philippine governing and regulatory body, hereby declare our full support and recognition of SBMEI President and CEO Mr. Arthur D. Tai.

Since February 13, 2017, when Mr. Scott N. Sharpe forcibly and unlawfully took over our company under cover of darkness, without a court order and/or writ of execution, and assisted by over 70 armed thugs, we have been silently working behind the scenes with our Chairman Dr. Robert C. Braun and P/CEO Mr. Arthur D. Tai to resolve this matter believing that the rule of law will eventually prevail and concerned Philippine authorities will set matters right.

However, recent events have made it incumbent upon us to take a more active stand against Mr. Scott N. Sharpe and his cohorts who still illegally occupy our company. Mr. Sharpe again displayed his complete disrespect for the rule of law and Philippine authorities by refusing to submit to a valid Mission Order being implemented by the Philippine Bureau of Immigration for culpable violation of Philippine laws. More egregious still was the obstruction of justice instigated by around 50 of his cronies who physically hindered the Bureau of Immigration's agents from carrying out their Mission Order against Mr. Sharpe. These occupiers consist of armed security men and many employees that had previously resigned or been terminated for cause but have been reinstated by Sharpe with exorbitant salary increases and on the spot promotions in a clear act of buying their loyalty.

Our employees, eager to return to work with the impending removal of Mr. Sharpe, were harassed and accused of trumped up charges. They were treated like common criminals, verbally abused, manhandled, frisked and searched before they were allowed to leave. Mr. Sharpe's hired armed security and illegitimate occupiers claimed missing cash boxes and other company property but they failed to find anything on the legitimate employees. Three employees were detained and charged with planted, if not fabricated, evidence. This has caused serious trauma and suffering for our employees, and heartache and concern for us.

Mr. Sharpe has also maligned our integrity and reputation by falsely claiming that achievements made in the last two years were due to the efforts of his "current management". This is clearly a lie and an attempt to claim the accomplishments of our employees under the stewardship of Mr. Tai as his own. We have been witnesses to the truth and even active participants in the celebrations of these achievements, including inauguration of the swimming pool, opening of The Turtle's Nest Cafe, newly-renovated The Reef and Sandbar food outlets as well as improvements at Ilanin Bay Café and facilities at Ocean Adventure.

Under Mr. Tai's management employee facilities like the canteen and employee benefits and compensation improved uniformly throughout the ranks. Wages and benefits were raised above government mandated minimums and always distributed on time or early. An Employee Acknowledgement Program (EAP) was also put in place to recognize and reward deserving employees on meritocracy and exemplary performance. We categorically state that all these were results of the effective stewardship and management of our President/CEO Mr. Arthur D. Tai, Management Committee, and supervisors and managers developed and empowered since his arrival.



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In stark contrast, the previous 14 years under Mr. Sharpe were plagued with huge revenue losses and debt, below minimum wage and delayed wages for employees. SBMEI was in fact on the brink of bankruptcy under the management of Mr. Sharpe. No doubt that this will be the case again if Mr. Sharpe is to remain in control of the company because many past practices that were eliminated have returned since the armed takeover.

Our support of Mr. Tai and his leadership of SBMEI rests on his understanding of our employees and ability to motivate them to new heights. While enhancing shareholder value, he is also reaching out to previously disenfranchised shareholders, SBMA and the greater Subic Bay community. The remarkable changes began at the rank and file and extend to still ongoing resolution of enormous legacy issues. We recognize Mr. Tai's pattern of repeatedly placing company and employee interests ahead of his own, evidenced by deferring payment of his own compensation agreements for the financial welfare of the company, providing interest-free loans at dire points of need in the past two plus years, and most recently personally undertaking legal and other costs to fight the injustice of this ongoing siege against SBMEI.

Mr. Tai has worked tirelessly and at great personal sacrifice to bring about the lawful return to company premises out of the belief that the employees deserve as a basic human right a secure and healthy working environment, not one of cronyism, intimidation, and abuse. Employees and managers have stood in solidarity with him in this belief and we are proud to do the same.

Handwritten signature of Dr. Robert C. Braun in black ink.

Dr. Robert C. Braun
Chairman of the Board

Handwritten signature of Gen. Darlene M. Goff in black ink.

Gen. Darlene M. Goff
Director

Handwritten signature of Susan S. Walker, Esq. in black ink.

Susan S. Walker, Esq.
Director

Handwritten signature of Arthur D. Tai in black ink.

Arthur D. Tai
President and CEO

Unanimous Board of Directors Declaration
Friday, 7 April 2017