

IN THE EXEMPTION APPLICATION OF:-

ICONIC OIL (PTY) LTD

Applicant

and

NATIONAL BARGAINING COUNCIL FOR THE
ROAD FREIGHT AND LOGISTICS INDUSTRY (Council)

Respondent

DECISION

1. The Applicant applied for exemption to submit monthly returns after the 20th of the following month.

2. The matter appeared on the Agenda of the Exemptions Body meeting held on the 21st February 2011.

3. The following were present:-
 - 3.1 Mr. Y. Nagdee - Chairperson of the Exemption's Body
 - 3.2 Mr .G. Wessels - Member of the Exemption's Body
 - 3.3 Mrs. R. Manning - Member of the Exemption's Body
 - 3.4 Mr J. Gys - MTWU
 - 3.5 Mr L. Aphane - TAWUSA
 - 3.6 Mr P. Mndaweni - Committee Secretary of NBCRFRI
 - 3.7 Mr. E. Kock - Senior Agent of NBCRFI
 - 3.8 Mr. T. Short - Member of RFEA

4. Apologies were received from:

- 4.1 Ms M. Brown–Engelbrecht - Member of RFEA
4.2 Mr J. Gamede - SATAWU

5. **APPLICANT'S SUBMISSIONS**

5.1 The Applicant submitted, inter alia, as follows:

“Our current contract with Sasol was changed without opportunity to look for other work. This caused high losses to the company contracts cancelled.

We have handed an account of 13 million rands over to our lawyers for collection. Thebe Energy (Shell SA) have not paid their account.

Sasol deducted monies off our account for losses drivers had when doing loads of fuel as per the contract.

Business has serious financial trouble. Our accounts with the banks and SARS are in arrears.”

5.2 The Applicant in a letter dated the 31st January 2011 provided as follows:

“We refer to your “Decision” letter dated 30 November 2010.

In our previous correspondence and meetings we explained our financial situation. We have not been able to put forward a re-payment plan due to the situation becoming worse.

Our Company has applied to the IDC for funding. The Debt rescue plan was submitted yesterday 30 January 2011. The plan was accepted in principal by two of our mayor banks.

We expect to have an answer by no later than 7 February 2011. If the IDC has approved the plan we will be in a situation to discuss the re-payment plan.

If you need any additional information please contact the writer."

6. COUNCIL'S SUBMISSIONS

6.1 Mr E. Kock informed the Exemption Body that the Applicant has not provided a plan as to how it wished to overcome some of the difficulties.

6.2 It was requested that the matter be dealt with on the papers.

7. ANALYSIS

Following the Exemption Body meeting on the 21st February 2011, the Exemption Body received the following email:

"Iconic Oil was unable to attend the meeting on the 21 Feb 2011 due to the strike.

Iconic Oil has been under severe financial constraints for the last year and a half which resulted in late payments. We are in arrears to the extent of 3 months.

Iconic Oil would like to apply for exemption for late payments from November 2010.

The following is reasons for the late payments:

- **SARS Clearance certificate not issues causing vehicle utilisation not to be 100%.**
- **Changes in depot operational times causing long standing times. Budgets not made.**
- **Drivers - Poor discipline and drivers not reporting for duty. Due to this we were short of qualified drivers.**
- **Poor maintenance by contractor on vehicles.**
- **Diesel cost increases - No adjustment on AD Hoc work.**
- **Due to the above and other smaller problems we did not make budget for over a year. This put the company under severe.**

Proposal to rectify late payments in the future

Iconic Oil has applied to the IDC for a loan. The meeting will take place on the 28 February 2011 and we expect to have an answer no later than the 4 March 2011. If the loan is approved we will be able to pay on time from the 1 May 2011.

Iconic Oil have also looked at the option of selling shares. The potential buyer is busy with the due diligence and the discussion will be finalised end March 2011. This will result in

us paying on time from the 1 May 2011.

We already addresses the above issues for not making budget and the results should show in March.

It is evident from the above that the turnaround strategy will not an ongoing process but rather a short effective process.

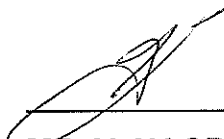
We would appreciate you kind consideration in considering this application."

8. DECISION


8.1 The Exemption Body considered the submissions and is satisfied that the Applicant is working towards addressing some of its difficulties and has put in place a plan;

8.2 Having regard to the above, the Exemption Body grants the Applicant an exemption for a period of 3 months, i.e., 1st March 2011 to 31st May 2011.

DATED THE 28th DAY OF FEBRUARY 2011 AT BRAAMFONTEIN, JOHANNESBURG.



MR. Y. NAGDEE
 Chairperson of the
 Exemption Body



MRS R. MANNING
 Member of the
 Exemption Body
 I agree

MR G. WESSELS
 Member of the
 Exemption Body
 I agree