



*For all life's journeys*

## Press Release

FOR IMMEDIATE RELEASE

Ref: 2020/03/23 – NP

### NP RESPONDS TO STATEMENTS BY PETROLEUM DEALERS CO-OPERATIVE SOCIETY LTD

Reference is made to a letter circulated on social media and to various media outlets by the Petroleum Dealers Co-operative Society Limited (PDC) regarding its decision to suspend its business operations as a distributor for the NP's line of lubricants, **Ultra Lubricants** effective immediately. To clear up the misinformation contained in the PDC's Letter of 2020 March 23, which NP was only privy to after it went viral, we have dissected the issues as follows:

1. Firstly, and in the interest of clarity, the Petroleum Dealers Co-operative Society (PDC) is not to be confused with NP's Retail Service Station Network. The PDC is a Lubricant Distributor and distributes NP's brand of ULTRA Lubricants to NP Service Stations and retail outlets. Therefore, **the PDC's decision to suspend their business operations as a Lubricants distributor, though unfortunate, presents no threat to fuel shortages or to the security of the supply of fuel** as NP has contingency measures in place to ensure a consistent and reliable supply of fuel to the public.
2. Secondly, as a responsible corporate citizen, NP has ensured that all safety precautions are being put in place to provide for the health and safety of its employees. NP has distributed disposable plastic gloves to its 115 Service Stations for use by loyal patrons in dispensing fuel. Additionally, NP has shared multi-language information booklets on preventative measures, to supplement and support the efforts of the Dealers' **since the employees at the Service Stations are NOT employees of NP but that of the individual Service Stations by whom they were hired.**

Therefore, all NP Service Station Dealers owe a duty of care to their employees at the Service Stations and are ultimately responsible for ensuring the safety of their employees whilst continuing to provide supplies at the Service Station.

3. Getting to the bottom of what this issue is really about, the signing of new contracts for NP's Ultra Lubricant Distributors, where the current five (5) year contracts will expire on March 31<sup>st</sup>, 2020. Adopting a robust, transparent and fair internal process, NP began the evaluation process for entering into new contracts several months ago, for the continued distribution of its Ultra Lubricant products.

This process began prior to the COVID-19 pandemic; however, it appears the PDC believes this process should be extended for a ninety (90) day period. It is unfortunate that the PDC is using the guise of the COVID-19 Pandemic and the NP Service Station network to cloud the real issue, that is, its unwillingness to enter the new distribution contract. As discussed privately with the PDC previously, it is ultimately their prerogative to decide whether to enter into the new distribution contract. Additionally, following proper business practice, **the PDC was given the opportunity to review the terms of the new distribution contract beforehand and provide its comments on same.**

4. Additionally, the PDC has alluded to the fact that contracts with some Distributors will not be renewed. NP advises that it has and continues to make decisions in the best interests of the Company, and as such, has acted to streamline its business based on past performance within the Lubricant Distribution network. **All decisions with respect to the distribution of Ultra Lubricants, therefore, are based on several factors, but ultimately comes down to performance.** Nevertheless, the avenues of communication remain open to all Distributors should they wish to discuss further with NP. Beyond that, any request for information can be made in accordance with the Freedom of Information Act.
5. Finally, regarding the price increase alluded to by the PDC, NP advises that **this price increase was rescinded in hindsight,** owing to the drop in the international oil prices. One would appreciate that any forward-thinking Company plans for the future,

and prior to the COVID-19 Pandemic outbreak worldwide, projections initially signaled that a price increase was in order. It was on this basis that the price structure was increased. However, as indicated above, **this position has since been rescinded and this decision was subsequently communicated to Distributors.**

NP as a conscientious state enterprise, stands in solidarity with the national community to ensure that we do all that is possible to maintain the highest safety standards while continuing to fuel the needs of the Nation. Given the current national environment, it is unfortunate that the PDC, a long-standing business partner of NP, is choosing to put workers on the breadline, not because it is managing the COVID-19 Pandemic, but because it takes issue with NP's planned course for the continued distribution of its Ultra Lubricants, and of which the PDC is well aware.

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**For further information:**

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