

**MAN01-A: TRANSFORMEX VERIFICATION AGREEMENT  
V01/R07/1010**

**Important: Please initial each page and sign page 7**

**1. DEFINITIONS**

Unless otherwise expressly stated the words and expressions listed below shall, when used in this Verification Agreement including this definitions clause, bear the meanings ascribed to them.

- 1.1 TRANSFORMEX means TRANSFORMEX CC
- 1.2 Parties means TRANSFORMEX and /or the client as the context requires;
- 1.3 The entity applying for rating (herein after referred to as the client) being

Name of Entity:.....  
Entity Registration Number:.....  
Business Address:.....  
.....  
.....

- 1.4 Contract means this Verification agreement, together with any documents or other terms applicable to the Services.  
Services mean the verification services to be provided by TRANSFORMEX.  
"Agreement" means the Verification Agreement.

**2. PURPOSE**

- 2.1 The purpose of the contract is to record the nature and scope of the services that TRANSFORMEX is to provide to the client which is the basis of TRANSFORMEX remuneration as well as the requirements which the client must fulfill to ensure TRANSFORMEX can provide an effective and efficient service.

**3. TRANSFORMEX VERIFICATION SERVICES**

- 3.1 TRANSFORMEX will verify all information pertaining to the latest official BBBEE scorecard and or sector charters that are gazetted as a Code, which includes verification of the ownership, management, employment equity, skills development, preferential procurement, enterprise development and socio-economic development of the client. In addition TRANSFORMEX shall analyse and report on the fronting risks of the client.
- 3.2 TRANSFORMEX shall provide the client with an independently verified BBBEE score and a detailed report at the end of the verification service only upon receipt and analysis of documented proof of empowerment initiatives.
- 3.3 The TRANSFORMEX VERIFICATION is valid for a period of twelve (12) months from the date of issue as indicated on the final verification certificate received by the client. Transformex assumes full responsibility for all scores on verification certificate that are a final version provided to the client. However if in a previous year mistakes were made on the score or due to changes in BBBEE Acts and Gazettes, Transformex shall rectify such scoring to reflect the correct score and the client may not hold Transformex liable for any previous mistakes on previous certificates granted.
- 3.4 TRANSFORMEX is committed to the provision of excellent customer service, which will satisfy the customer's requirements in the most efficient and effective manner. TRANSFORMEX will remain independent from the client.

#### **4. CLIENT REQUIREMENTS, RIGHTS AND DUTIES**

- 4.1 The client agrees to provide TRANSFORMEX with all the necessary documentation for an independent and credible verification as per the schedule of information that is provided to the client at a Pre-Site Visit or during the course of the verification.
- 4.2 The client agrees to provide TRANSFORMEX with this information stated in Clause 4.1 within the time frames provided by Transformex and as per the time frames provided in the verification process stipulated in the Transformex Request for verification.
- These include that the client must provide all documentation as per the Content list provided to the client by Transformex and that the client must send to the Transformex Office all documentation as signed for by the client on the content list to Transformex prior to the verification on-site visit date being set. The client accepts that should all required documentation not be available at least a week in advance then the verification on site visit will be postponed until such date that all required documents have been received and reviewed by Transformex.
- 4.3 The client shall inform TRANSFORMEX immediately of any changes to status of the entity or any documentation which may come to the notice of the client which could affect the verification status or score of the entity.
- 4.4 TRANSFORMEX may rely on any instruction, request, notice, information, given in writing, by any person whom TRANSFORMEX knows to be or reasonably believes to be authorised by the Verified Entity to communicate with TRANSFORMEX.
- 4.5 TRANSFORMEX may communicate with the Verified Entity by electronic mail where an authorized person of the Verified Entity requests TRANSFORMEX to do so, on the basis that in consenting to this method of communication, the Verified Entity accepts the inherent risks (including the security risks of the interception and monitoring of, or unauthorized access to such communications, the risks of manipulation and/or corruption of such communications and the risks of viruses or other harmful devices).
- 4.6 TRANSFORMEX may receive information from the Verified Entity or from other sources in the course of delivering the Service and shall:
- i) be entitled to establish the reliability of information received by it;
  - ii) not be liable to the Verified Entity for any loss or damage in whatever nature and form suffered by Verified entity arising as a result of fraud, misrepresentation, the withholding of information and/or material to TRANSFORMEX or other conduct by default relating to such information, whether on the Verified Entity's part or that of the other sources of information.
- 4.7 Signatories hereto agree that all fees owing to TRANSFORMEX must be paid in the following manner:
- i. 50% on signing of this agreement and 50% on finalization of the verification certificate and report.
  - ii. Should the client refuse or fail to adhere to the terms and conditions of this agreement, signatories hereto consent to the listing of detail on credit institutions. Signatories hereto consent that the amounts appearing on TRANSFORMEX documentation are liquid amounts and consent to judgment in the case of any non-payment in terms of Section 57 and 58 of Act 32 of 1944

#### **5. CANCELLATION OF VERIFICATION**

Should the client decide to cancel the verification service with Transformex, the following will apply:

##### **FOR QSE and Generic Clients:**

- 5.1 If cancellation occurs after verification plan provided to client, 15% and of fees are withheld by Transformex
- 5.2 If cancellation occurs after the pre-site visit is performed, 25% of fees are retained by Transformex
- 5.3 If cancellation occurs after the final site visit, 75% of fees are retained by Transformex
- 5.4 If Cancellation occurs after review of the verification by a Transformex, 100% of fees are retained by Transformex.
- 5.5 Travel, accommodation and any other disbursement costs already incurred on behalf of the client, shall become immediately due and payable.

## **FOR EME Clients**

- 5.6 If cancellation occurs after the analysis of the documentation, 50% of the fees is retained by Transformex
- 5.7 If cancellation occurs after review of the client documentation, 100% of fees are retained by Transformex

## **6. CONFIDENTIALITY**

- 6.1 TRANSFORMEX shall maintain the confidentiality of all documentation received through the verification process including any sensitive information received save for when the information is required by the South African National Accreditation System as per the R47-02 document for the accreditation of TRANSFORMEX as an accredited verification agency as well as in the creation of a public database (in which case no documents provided but rather the verification certificate and report shall be made public to any clients requiring the status of the clients) or where TRANSFORMEX may be required to disclose such information to its insurers, legal advisers or is placed under a legal duty to disclose such information.
- 6.2 The client hereby specifically grants permission to Transformex to make available all information in the client file to SANAS. All documentation of the client will be limited for viewing at the Transformex Offices and shall be done under supervision of a senior Transformex employee.
- 6.3 Employee Interviews are kept confidential at all times between the employee and Transformex, save for when SANAS performs its accreditation procedures at a client site, at which time, SANAS assessors will be allowed to be part of the interview as a silent observer.
- 6.4 The client also agrees to keep confidential methodologies, technology, processes, know-how and other models and skills use by TRANSFORMEX to carry out the services.

## **7. Impartiality and Independence**

No fees will be discussed by an analyst. All fees are predetermined and no deviations can occur by any analyst unless authorized by the management committee. Fees will be revised at the discretion of the management committee.

No analysts, managers or any staff member of Transformex is allowed to accept any gifts from any verification client, either potential or existent.

No client shall engage in any attempt to offer employment to any Transformex staff or persons acting on behalf of Transformex.

## **8. VERIFICATION RESULTS**

- 8.1 Prior to completion of the Services, TRANSFORMEX may supply oral, draft or interim information on reports or presentations. In such circumstances, its written advice or final written report shall take precedence.
- 8.2 TRANSFORMEX shall not be under any obligation in any circumstances to update any report or any product of the Service, oral or written, for events occurring after the report or product concerned has been issued in final form. The Client may reapply for rating should it wish to highlight changes to the application and underlying Information.
- 8.3 Any, opinion, statement of expectation, forecast or recommendation supplied by TRANSFORMEX as part of the Services shall not amount to any form of guarantee that TRANSFORMEX has determined or predicted future events or circumstances.

## **9. APPEALS AND COMPLAINTS**

### **9.1 Appeals**

All clients will receive a preliminary verification report from Transformex on completion of the final site visit together with an appeals form and can appeal verification results using the appeals form sent via email or by using the web-

based form found on [www.transformex.co.za](http://www.transformex.co.za). Clients must appeal the verification result within five (5) working days of receipt of verification report. Should the client not respond within this time frame, Transformex will assume that the client accepts the verification result and will finalise the verification and provide the client with a final verification certificate. The procedure for appeals can also be found on [www.transformex.co.za](http://www.transformex.co.za). Should no response be received from the client within the appeals window of five (5) working days, Transformex shall issue a final verification certificate and all fees owing to Transformex shall become due and payable.

## **10. COMPLAINTS**

All clients can lodge a complaint against any Transformex staff member either during the verification process or outside of the clients' verification process, via the Transformex website. The procedure for the investigating and resolving of complaints can be found on [www.transformex.co.za](http://www.transformex.co.za).

## **11. WITHDRAWAL OF BEE CERTIFICATES AND SERVICES**

Transformex reserves the right to withdraw a verification certificate issued to a client if the client has not provided Transformex with correct information. Transformex reserves the right to withdraw certificates in the following instances. This list is not exhaustive:

- 11.1 When it is found that documentation provided by the client is fraudulent
- 11.2 When impartiality of any nature has not been preserved in the issuing of verification certificates, either by the client or any related body or by analysts and other staff members of Transformex.
- 11.3 When any conflict of interest arises by Transformex or any members or staff of Transformex performing the verification services to the client
- 11.4 When requested to do so by governing bodies and through Statutory Legislation
- 11.5 During any subsequent visits by Transformex to the client when it is found that information provided by the client has been grossly misstated.

## **12. OWNERSHIP**

TRANSFORMEX shall retain ownership of the copyright and all other intellectual property rights in the product of the Services, whether oral or tangible, and also the ownership of the working papers. For the purpose of delivering Services to the Client, or other clients, TRANSFORMEX shall be entitled to use or develop knowledge, experience and skills of general application gained through performing the services.

## **13. USE OF LOGO AND VERIFICATION MARKS**

- 13.1 The BEE Verification Agency shall require that the verified enterprise:
- i. conforms to the requirements of the BEE Verification Agency when making reference to its verification status in communication media such as the internet, documents, brochures or advertising
  - ii. does not make or permit the use of any misleading statement regarding its BEE score
  - iii. does not use or permit the use of a BEE Verification Certificate or any part thereof in a misleading manner
  - iv. does not use its verification status in such a manner that would bring the BEE Verification Agency into disrepute and lose public trust
  - v. Reproduce any verification report in full (with the certificate and the attached report).
  - vi. Misuse of The Transformex Logo, shall be dealt with in terms of Transformex internal policies and procedures.
  - vii. Follows the policy of Transformex as available on the Transformex Website

#### **14. THE SERVICES CONTRACT**

- 14.1 The Services contract constitutes the sole record of the agreement between the parties with regard to the subject matter thereof.
- 14.2 No addition to, variation of or agreed cancellation, of the services contract shall be of any force or effect unless in writing and signed by or on behalf of the client.

#### **15. THIRD PARTY RIGHTS**

The services contract shall not create or give rise to, nor shall it be intended create or give rise to any third party rights.

#### **16. CIRCUMSTANCES BEYOND EITHER PARTYS CONTROL**

Neither party shall be in breach of its contractual obligations nor shall it incur any liability to the other if either party is unable to comply with the services contract as a result of any cause beyond its reasonable control. In the event of such an occurrence the parties shall be obliged to as soon as reasonably practicable possible notify each other, and shall have the option of suspending or terminating the operation of the services contract upon written notice to that effect.

#### **17. WAIVER ASSIGNMENT AND SUB-CONTRACTORS**

- 17.1 No relaxation or indulgence which any party may grant to any other shall constitute a waiver of the rights of that party and shall not preclude that party from exercising any rights which may have arisen in the past or which may arise in the future.
- 17.2 Either party shall have the right to assign the benefit or burden of the services contract without the written consent of the other party.
- 17.3 TRANSFORMEX shall have the right to appoint subcontractors to assist in delivering the services and such appointment shall be to the reasonable requirements of TRANSFORMEX.

#### **18. EXCLUSIONS AND LIMITATIONS OF LIABILITY**

- 18.1 The maximum liability of TRANSFORMEX or any individual director or employee, as the case may be, of TRANSFORMEX or of any other body or entity controlled or owned by or associated with TRANSFORMEX in respect of direct economic loss or damage suffered by the Client or by other beneficiaries arising out of or in connection with the Services, shall be limited to the fees charged and paid for these Services. The maximum liability shall be an aggregate liability for all claims arising, whether by contract, delict, negligence or otherwise.
- 18.2 TRANSFORMEX liability to the Client in contract, delict or under statute or otherwise, for any indirect or consequential economic loss (including loss of profits) suffered by the Client (or any other such party) arising from or in connection with the Services, unless such loss arises from the negligent or willful default of TRANSFORMEX or any of its employees.

#### **19. THIRD PARTIES**

- 19.1 The Client hereby indemnifies TRANSFORMEX and holds it harmless against any loss, damage, expense or liability incurred by it or TRANSFORMEX as a result of, or arising from or in connection with a combination of the following two circumstances:
- i. any breach by the Client of its obligations under the Services Contract; and
  - ii. any claim made or threatened by a third party or any other beneficiaries which results from or arises from or is connected with any such breach.

**20. TERMINATION**

20.1 Either party may terminate the services contract or suspend its operation by giving due notice in writing to the other at any time, which notice shall not be less than (seven) 7 days. Termination or suspension of this clause shall be without prejudice to any rights that may have accrued to either party before termination of the suspension and all sums due to TRANSFORMEX shall be due and payable when the termination or suspension takes effect. TRANSFORMEX shall be entitled to raise a fee note upon receipt of such notification for an amount adequate to cover all work done to date and not yet billed including disbursements incurred. Please also see clause 5 of this agreement.

**21. SEVERABILITY**

21.1 Each clause or term of the Services Contract constitutes a separate and independent provision. If any of the provisions of the Service Contract are held by any court or authority of competent jurisdiction to be void or unenforceable the remaining provisions shall continue in full force and effect.

**22. EMPLOYEES OF TRANSFORMEX**

22.1 The client agrees not to make any offer of employment to or to employ any employees of TRANSFORMEX in providing the services of verification to the client for a period of 12 (twelve months) after the initial verification of the client is complete. The client agrees to inform Transformex management of any misconduct of an ethical nature performed by a Transformex Staff member on site. This includes bribery corruption, promise of BEE score.

**23. PRICING**

23.1 The costs of providing the services shall be .....exclusive of value added taxation and traveling expenses for site visits. The costs are subject to the client providing full and timely access to all available information.

**24. NOTICES AND LEGAL PROCESS**

24.1 Each party chooses as its address for all purposes under the Services (chosen address), whether for serving any court process or documents, giving any notice, or making any other communications of whatsoever nature and for any other purpose arising from the Service Contract (notice), as follows:

**TRANSFORMEX**

8 Edward Street  
Kensington B  
Randburg  
2115

**THE CLIENT**

.....  
.....  
.....  
.....

- 24.2 Any notice required or permitted under the Service Contract shall be valid and effective only if in writing.
- 24.3 Any party may by notice to the other Party change it chosen address to another physical address in the Republic of South Africa and such change shall take effect on the seventh day after the date of receipt by the Party who last receives the notice.
- 24.4 Any notice to a Party contained in a correctly addressed envelope and delivered by hand to a responsible person during ordinary business hours at its chosen address shall be deemed to have been received on the date of delivery.
- 24.5 Notwithstanding anything to the contrary herein, a written notice actually received by a Party, including a notice sent by telefax, shall be an adequate notice to it notwithstanding that it was not sent or delivered to its chosen address.

**25. Declaration – DEBT and EQUITY between Transformex and Measured Entity**

Does the Measure entity and Transformex currently have an existing debt/equity agreement?

Yes	NO
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If Yes, please advise further \_\_\_\_\_  
 \_\_\_\_\_

Did the Measure entity and Transformex have any debt/equity agreement in the past?

Yes	NO
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If Yes, please advise further \_\_\_\_\_  
 \_\_\_\_\_

I.....Do hereby declare that the information supplied to Transformex regarding Debt/Equity is true. I also declare that I am in an authorised position to complete 22.6 above.

THIS DONE AND SIGNED AT \_\_\_\_\_ ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_.  
 FOR AND ON BEHALF OF: \_\_\_\_\_  
 THE CLIENT

BY: \_\_\_\_\_  
 WHO WARRANTS HIS OR HER AUTHORITY HERETO

**FOR TRANSFORMEX USE**

THIS DONE AND SIGNED AT \_\_\_\_\_ ON THIS THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_.  
 FOR AND ON BEHALF OF: \_\_\_\_\_  
 THE VERIFICATION AGENCY

BY: \_\_\_\_\_  
 \_\_\_\_\_  
 WHO WARRANTS HIS OR HER AUTHORITY HERETO