

CERTIFICATION AGREEMENT

PERMIT NO: **[Insert Permit Number] / [Insert New Cycle Number]**

SOUTH AFRICAN TECHNICAL AUDITING SERVICES (PTY) LTD

Co. Reg. No. 2002/015355/07

AGREEMENT ENTERED INTO WITH

[Insert Trading Company/CC]

t/a

[Insert Company Name]

Co. Reg. No. **[Insert Number]**

CERTIFICATION CONDITIONS

Definitions

Material: Raw material or components used in the manufacture of the product.

Product: The commodity at any stage of its manufacture.

Certificate: The document that provides evidence of approval to use the SATAS logo.

Certification Requirements: The specific product requirements contained in the relevant product specifications.

Specification: The relevant product specification, as defined in the certificate.

Certifier: The certification body, SATAS.

Certificate Holder: The company to which a certification permit has been awarded.

Acceptable: Satisfying the requirements of SATAS.

C/A: Complaints and Appeals.

CAC: Certification Advisory Committee.

SATAS: South African Technical Auditing Services (Pty) Ltd.

Supplier: Any individual or organisation delivering services to SATAS that may influence certification.

1. Requirements for Personnel Involved in the Quality Function

1.1 The Certificate Holder shall appoint a competent person as a management representative, who shall be responsible for ensuring that these requirements are implemented and maintained. The person's name is to be submitted to SATAS during audits/inspections.

1.2 The management representative is also responsible for ensuring that all personnel engaged in quality verification activities, including the Certificate Holder's own subcontractors, are competent in their duties.

1.3 SATAS reserves the right to assess the competence of such personnel through evaluation and/or testing.

2. Fees

2.1 Upon receipt of the completed MS 1.1 Application for Certification, SATAS shall prepare an MS 3 quotation based on the information provided. SATAS will conduct a credit check on the applicant before considering certification.

2.2 The MS 3 quotation shall be included as Annexure A to these Certification Conditions.

2.3 Acceptance of these Certification Conditions and the MS 3 quotation shall be indicated by the applicant signing and returning the Certification Conditions before the assessment.

2.4 The original signed Certification Conditions shall be submitted to SATAS during the initial assessment.

2.5 The MS 3 quotation shall address the following relevant aspects:

- i) Assessment fee: to cover the costs of the application, the initial assessment of the manufacturing facility's quality management system and product inspection.
- ii) Pre-certification sampling for testing: to cover the costs of sampling for product testing before certification is awarded.
- iii) Post-certification sampling for testing: to cover the costs of sampling for product testing after certification is awarded.
- iv) Certification royalty fee: to cover the costs incurred by SATAS for the maintenance of product certification after certification has been awarded.
- v) Non-conformance-related costs: to cover any additional costs incurred by SATAS in relation to serious non-conformances identified during audits of the quality management system and/or product testing.

vi) Complaint-related costs: to cover any additional costs incurred by SATAS in addressing valid customer complaints.

vii) Change-related costs: to cover any additional costs incurred by SATAS in connection with a change of ownership, company structure, or specification amendments, where re-assessment or re-testing is deemed necessary.

2.6 Any additional cost shall be detailed in a separate formal quotation before SATAS takes any action.

2.7 The certification royalty fee is payable monthly once certification has been granted, and may be increased annually, generally not exceeding the current PPI.

2.8 Certification fee rules, applied to ensure fair and non-discriminatory access to certification for all clients, shall be as follows:

i) All quotations for certification shall be calculated using the SATAS MS 31 costing model.

ii) Assessment and certification fees shall be set using the same principles and base costs for all clients (tariff/hour, cost/km, etc.).

iii) No negotiation of assessment and/or certification fees shall be permitted.

iv) SATAS's percentage profit margin shall be the same for all clients.

v) The annual increase in certification royalty fees shall be the same for all clients.

vi) The number of post-certification quality management system audits, product inspections and testing shall be the same for all clients per annum, within a given scheme.

vii) No cross-subsidisation shall be permitted.

viii) Certification fees may not be negotiated to undercut any other certification body.

ix) Where product testing is carried out at a third-party laboratory, the cost of testing shall not be subject to further profit adjustment by SATAS and shall be the same for all clients.

x) Certification fees shall be paid within 30 days from the invoice date.

2.9 Where applicable, invoicing for the certification fees payable under this agreement may be issued, on SATAS's behalf, by SA Timber Auditing Services (Pty) Ltd, an associated company under common directorship. Where applicable, this arrangement relates solely to invoicing and payment collection. All certification decisions, audits and evaluations remain the sole responsibility of South African Technical Auditing Services (Pty) Ltd and are unaffected by this arrangement.

3. Services Provided by SATAS

SATAS shall conduct at least one audit per year at the Certificate Holder's manufacturing facility to ensure the Certificate Holder continues to comply with these conditions. SATAS shall notify the client at least 5 working days before an annual audit. If, for any reason, the client cancels a scheduled audit after acceptance, the client may be liable for costs incurred in rescheduling.

SATAS shall also conduct annual product audits, as recorded in the relevant addendum to this document, to ensure compliance with the applicable product specification.

SATAS undertakes to notify all SATAS Certificate Holders of any amendment or revision to a standard within the scope of certification.

SATAS shall conduct a risk analysis of standard amendments or revisions in accordance with MS 94 and inform the Certificate Holder of the outcome.

SATAS reserves the right to increase the frequency of surveillance visits, provided that the Certificate Holder is notified in writing of the reason for the change. The cost of any additional visits shall be included in a quotation and borne by the Certificate Holder.

SATAS reserves the right to utilise subcontractors for product inspections and testing. SATAS draws samples for testing under its control. SATAS shall make a copy of the report, with a covering statement outlining the requirements and the product's status, available to the Applicant/Certificate Holder for information and comment. SATAS provides a list of subcontractors (MS 62) upon request. The Applicant shall discuss with the CAC any information obtained from other sources that may influence the certification process and make it available to the CAC.

SATAS maintains a publicly available directory of current Certificate Holders at www.satas.co.za, including contact information, and the standards and products certified. This directory shall be updated within 10 working days to reflect additions, changes and cancellations. SATAS maintains a list of certified suppliers and makes it available on request.

Further information about the SATAS certification scheme, including evaluation procedures and the rules for granting, maintaining, extending or reducing the scope of, suspending, withdrawing or refusing certification, is available on request.

4. Obligations of the Certificate Holder

4.1 The Certificate Holder shall, as a minimum, maintain a quality system as described in Clause 9 of these conditions, and ensure that product quality complies with the relevant product specifications. The Certificate Holder shall perform product tests in accordance with the relevant product specification. If the Certificate Holder cannot perform the tests, it shall make alternative arrangements acceptable to SATAS.

4.2 The Certificate Holder shall notify SATAS without delay, and in any event within 5 working days, of:

- a) any changes in the manufacturing process, ownership, management, legal, commercial or organisational status, or contact details; and
- b) any rework and/or regrading activities affecting any certified product.

SATAS shall evaluate any such change by conducting a reassessment, where required, in accordance with the procedures for an initial assessment. The SATAS logo shall not be applied to products manufactured under an altered process until SATAS has approved both the process and the product. SATAS shall evaluate any change in ownership or management to determine the certification's continued validity.

4.3 The Certificate Holder shall submit a new application when standards change in a way that significantly affects the nature or design of the product.

4.4 The Certificate Holder shall, at all times, fulfil the certification requirements, including implementing any changes communicated to it by SATAS within the timeframe specified by SATAS, and shall plan to ensure that products continuing in production continue to fulfil those requirements.

4.5 Where a product fails to continue to fulfil the certification requirements, the Certificate Holder shall take all necessary action, including recall, rework or withdrawal from sale, to restore compliance, and shall document the action taken.

4.6 The Certificate Holder shall not use its certification in any manner that brings SATAS into disrepute and shall not make any statement regarding its certification that SATAS may consider misleading or unauthorised.

4.7 The Certificate Holder is to allow SATAS staff, during normal working hours, access to its premises and documentation, to enable SATAS auditors to conduct surveillance audits. The Certificate Holder shall also afford access to other external auditors observing and evaluating SATAS auditors during system and product audits.

4.8 The Certificate Holder shall inform SATAS management of any potential conflict of interest arising from the presence of any SATAS auditor, for SATAS to investigate in accordance with Procedure 19 (Impartiality Management).

4.9 The Certificate Holder shall keep a record of all complaints known to it relating to the compliance of its certified products with the certification requirements and shall make such records available to SATAS on request, together with evidence of the corrective action taken.

5. Use of the SATAS Certification Logo

5.1 The Certificate Holder may copy, reproduce and use the SATAS logo, in the registered format, on any documentation relating to the product for which a certificate was issued.

5.2 The Certificate Holder may use the SATAS logo on all products in accordance with the relevant specifications for which a certificate was issued, as recorded in MS 25 'Schedule of Certification'. If the Certificate Holder is non-compliant, the SATAS logo shall be permanently removed from the product.

5.3 The Certificate Holder shall comply with the conditions for use of the logo set out in Clause 5.5 below. The Certificate Holder shall not make any misleading statement, in advertising, marketing or otherwise, regarding its certification. All brochures and documentation shall be subject to audit to ensure correct references. An incorrect reference to the certification logo or certificate shall lead to a reconsideration of the certification status.

5.4 In the event of a restriction or suspension of the logo's use, or of the certificate's cancellation, the Certificate Holder shall cease using the logo on all documentation and products. All labels, stamps, and documents bearing the SATAS logo shall be withdrawn to prevent inadvertent use. SATAS reserves the right to assess compliance by auditing documentation, including delivery notes, invoices, brochures and other marketing material. Where suspension is due to a defective certified product, SATAS shall require the manufacturer to recall the defective product.

5.5 Conditions for use of the SATAS logo:

- a) The logo shall be displayed only in the registered format. Any enlargement or reduction in size shall retain the same proportions as the SATAS master logo.



- b) The SATAS logo shall not be larger or more prominent than any other logo on the Certificate Holder's documentation.
 - c) The colour of the logo on the product shall comply with the relevant product standard. When used on paper, the logo shall be black.
 - d) All documentation that refers to the SATAS logo shall identify any products mentioned in the document that fall outside the scope of certification.
 - e) The logo shall be applied only to products manufactured on the premises and within the scope of certification set out in the MS 25 Schedule of Certification. The product standard number shall appear alongside the SATAS logo.
 - f) All product marking shall be carried out only on the relevant premises; no marking of a product at any premises other than those stated in the MS 25 Schedule of Certification shall be undertaken unless agreed to and verified by SATAS.
 - g) The SATAS logo shall not be used in a manner that implies SATAS accepts responsibility for the product's quality.
 - h) Upon suspension or termination of certification, all references to SATAS and use of the SATAS logo shall cease on all products and in all documentation.
 - i) In the event of misuse of the SATAS logo, SATAS reserves the right to take any necessary action, including legal action, to protect the integrity of the SATAS logo.
- 5.6** SATAS does not permit dual certification to the same standard. Where a SATAS-certified manufacturer obtains certification from another certification body for the same standard as that applied for by SATAS, that manufacturer shall cancel such other certification within 4 months of the date of certification by SATAS.

6. Period of Certification, Suspension, Withdrawal and Reduction of Scope

- 6.1** The certificate is issued for 3 years and may be renewed for further 3-year periods following an assessment of the Certificate Holder's quality management system and product conformity. The client shall inform SATAS in writing and arrange an on-site reassessment 3 to 6 months before the current certificate expires.
- 6.2** These certification conditions take effect on the date of issue of the certificate and may be terminated or amended by either party on 30 days' written notice.
- 6.3** SATAS may suspend, withdraw, or reduce the scope of certification if the Certificate Holder fails to comply with the conditions of the certification scheme. The reasons for such action, and the conditions under which certification may be reinstated or the scope restored, shall be given to the Certificate Holder in writing without delay.
- 6.4** Failure by the Certificate Holder to take appropriate corrective action within the period specified by SATAS may result in SATAS withdrawing the certification.
- 6.5** SATAS's requirements for granting, maintaining, extending or reducing the scope of, suspending, withdrawing or refusing certification are available on request.

7. Complaints and Appeals

- 7.1** The Certificate Holder has the right to submit a written complaint about any aspect of SATAS's certification activities to the Managing Director of SATAS within 1 month of the event giving rise to the complaint. SATAS shall deal with such complaints in accordance with Procedure 10.
- 7.2** The Certificate Holder has the right to appeal any adverse certification decision made by SATAS, including a decision to refuse, suspend, withdraw or reduce the scope of certification. The Certificate Holder shall lodge appeals in writing with the Managing Director of SATAS, and SATAS shall deal with them in accordance with Procedure 10, independently of the personnel who made the original decision.
- 7.3** The complete Complaints and Appeals procedure (Procedure 10) is available on request.

8. Quality System

The Certificate Holder shall develop and maintain arrangements covering the following:

- 8.1** All control and test points must be identified.
- 8.2** The control of all quality documentation.
- 8.3** The control of all inspection and test equipment:
 - i) Test equipment required for controls during the production process is to be kept in working order.
 - ii) Relevant equipment is to be calibrated before release and verified at intervals acceptable to SATAS.
 - iii) Calibration records and certificates are to be kept.

8.4 Incoming material:

- i) Purchased material shall comply with specified requirements.
- ii) Where required, certificates of compliance covering each batch of material shall be kept.
- iii) Purchase orders shall clearly describe the material.
- iv) All incoming material is to be verified as complying with the specified requirements.

8.5 Manufacturing control:

- i) The Certificate Holder shall develop and maintain manufacturing documentation that fully describes the relevant manufacturing processes, including all inspection/test points and final inspection.
- ii) The Certificate Holder shall carry out, as a minimum, the process control detailed in the relevant addendum(s) attached to this document.

8.6 Non-conforming material / corrective action:

- i) Procedures are to be implemented to monitor processes continually and to evaluate and analyse records, including customer complaints, to detect and remove the cause of defects.
- ii) All material that does not comply with specifications shall be identified, either by marking or by locality.
- iii) The Certificate Holder is to keep a record of all complaints and to take appropriate corrective action where product deficiencies are found, including arrangements for recall or other action to satisfy the client, and immediate action to restore product conformity. Action taken is to be recorded.

8.7 Quality records: records shall be kept of all control tests and inspections, including calibrations, calibration checks and final inspections. Allocate responsibility for controlling records, and define record control, including storage, identification, retention periods, and disposal.**8.8 Internal audit:** a schedule shall be drawn up for an annual internal quality audit, covering all areas of the Certificate Holder's quality system.

9. Storage of Product

9.1 Demarcated storage or holding areas shall be provided for products bearing the SATAS certification logo.

9.2 Quarantined and rejected material is to be held in separate, demarcated areas.

9.3 If demarcation is not practical, all products in storage shall be marked.

10. Additional Product Types

Products within the scope of the relevant specification, but not covered by the Certificate Holder's certificate, shall not bear the SATAS logo until approved by SATAS. The Certificate Holder must notify SATAS without delay of any modification to the manufacturing process or quality system that may affect product conformity. SATAS shall decide on the action to be taken and notify the Certificate Holder accordingly.

11. The Certificate

11.1 The certificate shall be available at the certified premises.

11.2 The certificate remains the property of SATAS and is to be returned to SATAS if the agreement is terminated.

11.3 The Certificate Holder may provide copies of the certification documents to others, provided the schedule of certification is submitted together with the certificate.

12. Confidentiality

Both parties acknowledge that, during the certification period, they shall have access to and become acquainted with various trade secrets, innovations, processes, information and records owned or used by the other party in connection with the operation of its business, including working methods, customer lists, accounts and procedures. Both parties agree that they shall not disclose any of the foregoing, directly or indirectly, or use it in any manner, either during the term of this certification or at any time thereafter, except as required during this certification.

Where SATAS is required by law or by a court order to make client information available, SATAS shall notify the relevant client of the request and of the information to be made available, unless prohibited by law from doing so. Both parties shall process any personal information exchanged under this agreement in accordance with the Protection of Personal Information Act, 2013 (POPIA).

Credit Check Consent Clause

I, the undersigned, hereby give my informed and voluntary consent to SATAS to obtain and verify my credit information from any registered credit bureau, for the purpose of assessing creditworthiness, conducting affordability assessments, and complying with the provisions of the National Credit Act, No. 34 of 2005 (as amended).

I understand and acknowledge that this process may involve the collection, processing, storage and lawful sharing of my personal information in accordance with the Protection of Personal Information Act, 2013 (POPIA) and other applicable data protection laws. I further confirm that the information I have provided is true, accurate and complete.

Agreement

Should these conditions be acceptable to you, please initial each page, sign the Certification Conditions, the attached quotation (Annexure A), and the specific conditions attached as an addendum, and return them to **[Insert Inspector Name]** via email at **[Insert Email]@satas.co.za** before **[1 month from date of MS 3.1]**. The application and quotation are valid for 6 months and 1 month, respectively, from the quotation date.

This document is an agreement between the CERTIFICATE HOLDER and SOUTH AFRICAN TECHNICAL AUDITING SERVICES (PTY) LTD.

Signed at _____ on the _____ day of _____ 20**[Insert Year]**

On behalf of the CERTIFICATE HOLDER:

Name: _____ Capacity: _____

Signature: _____

On behalf of SOUTH AFRICAN TECHNICAL AUDITING SERVICES (PTY) LTD:

Name: _____ Capacity: _____

Signature: _____

Note: Both parties shall initial all pages of this agreement, the quotation and any addenda.