

[Contractor/Consultant/Supplier/Service Provider] Name Changes, Mergers, Acquisitions, and Cessions

A supplier is contractually obliged to notify Eskom of any official changes to its legal name, changes to its legal persona, ownership and management, and any cessions of rights and delegation of obligations in terms of contracts with Eskom.

Where a supplier undergoes a name change without changes to its legal persona, ownership and / or management, then such a name change must be duly notified to Eskom within **30 days** thereof.

All appropriate documentation confirming the name change, together with all updated documentation containing the supplier's new name must be submitted to Eskom. The supplier's registration number will not be changed in this instance.

Where a registered supplier undergoes a merger /acquisition between various entities and / or a change in ownership and / or management, then such a supplier is obliged to notify Eskom of the change, within **30 days** thereof. Failure to notify Eskom of such a change may result in the supplier not being paid due to the new name and new banking details.

Where the **[Contractor/Consultant/Supplier/Service Provider]** duly notifies Eskom of such change, such notification must be accompanied by a new application to register as a supplier on the Eskom Supplier Database.

The **[Contractor/Consultant/Supplier/Service Provider]**, in its new form, must re-apply to be registered on the Eskom Supplier Database, against appropriate supporting documentation. The **[Contractor/Consultant/Supplier/Service Provider]** will receive a new vendor number.

Changed banking details, company registration documents and certified letters from the **[Contractor/Consultant/Supplier/Service Provider]** will be required in order to re-register. The record on the system will be changed to reflect the new details.

In the case of changes to the legal persona of the **[Contractor/Consultant/Supplier/Service Provider]** of an existing contract, a due diligence needs to be conducted, led by the Procurement Practitioner. Eskom will identify possible risks due to the change to the **[Contractor/Consultant/Supplier/Service Provider]** legal persona and requesting documents to their satisfaction from the **[Contractor/Consultant/Supplier/Service Provider]**.

The following due diligence checks must be completed:

1. The Legal Department must determine any risk in terms of possible changed liabilities and indemnities;
2. The SHEQ department must ensure that the changed entity can still fulfil the requirements as set out in the contract document;
3. Technical must ensure that the changed entity still has the capabilities and capacity to execute the contract;
4. The Procurement Practitioner must ensure that all applicable certificates are valid and in the name of the changed entity;

5. SDL&I will determine if the changed entity has the same or a better level of B-BBEE as at contract award stage. If not the same or better, then conditions may be stated in the modification (which will be part of the contract) to meet the same level or better within a certain period;

6. The Finance Department must ensure that there is no financial risk to Eskom.

The Eskom Procurement function must approve the outcome of the due diligence before a modification submission is made to the relevant DAA and a modification (addendum) is made to the contract.

Where an internal due diligence exercise indicates that the change to the legal persona, merger or acquisition, ownership and / or management, places Eskom at undue risk and disadvantage, Eskom may initiate termination of the

[Contractor/Consultant/Supplier/Service Provider] obligation to provide the *works, services or goods* in terms of a contract in consultation with the Eskom Legal Department and commence a new sourcing process for the procurement of the required goods, works or services.

Should the **[Contractor/Consultant/Supplier/Service Provider]** require cession and/or delegation of its contractual rights and obligations to another (legal) person, then:

1. Such a cession / delegation can only occur with the specific prior written consent of the Eskom Agent responsible for the management of the contract in question;

2. The Eskom Agent and Procurement must consult with the Eskom Legal Department, prior to obtaining internal modification approval;

3. The **[Contractor/Consultant/Supplier/Service Provider]** must provide Eskom ample opportunity to conduct a proper due diligence on the cessionary; and

4. Eskom will base its decision on the outcome of the due diligence, inter alia.

Blocking of **[Contractor/Consultant/Supplier/Service Provider] on the Eskom Vendor Database system**

The Eskom vendor database automatically blocks vendors from the finance system in the following instances:

1. Vendor CDS Status is non-active
2. BBBEE Certificate has expired
3. Vendor is tax Non-compliant
4. COID letter of good standing has expired.

It is the responsibility of the **[Contractor/Consultant/Supplier/Service Provider]** to issue to Eskom Vendor Management updated copies of the above documents to avoid being blocked. To be noted that once the **[Contractor/Consultant/Supplier/Service Provider]** is blocked, payment for work done on the contract will not be effected until all documents required to unblock the **[Contractor/Consultant/Supplier/Service Provider]** have been submitted to vendor management.