



Annexure B

Attacq Limited

Combined Assurance Forum

Terms of Reference

Draft: November 2015

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1. Introduction

This Terms of Reference sets out the framework within which the Attacq Limited (“Attacq”) Combined Assurance Forum will operate to make a value added and positive contribution to the overall governance structures within Attacq, specifically with regards to supporting the effective implementation of the Combined Assurance model.

Combined Assurance is the integration, coordination, and alignment of enterprise risk management, compliance risk management and assurance processes within the company, to optimise and maximise the level of assurance, governance and control oversight over the risk and regulatory landscape.

As a listed entity on the JSE, Attacq is required through the JSE listing requirements to apply principle 3.5 of the King Report which recommends combined assurance as a governance practice following an understanding that more can be done to improve assurance coverage and quality through better coordination of assurance providers. Audit and Risk Committee is responsible for ensuring that a combined assurance model is applied, its appropriateness monitored and that significant regulatory requirements and risks facing the company are adequately addressed. The combined assurance provided by internal assurance providers, external assurance providers and management (“lines of defense”) must be sufficient to satisfy the Audit and Risk Committee that significant regulatory requirements and risk areas within the entity are adequately addressed and suitable controls exist to mitigate and reduce these risks and regulations.

The Head of Business Operations is accountable to the Chief Finance Officer and the Audit and Risk Committee for designing, implementing and monitoring the process of Combined Assurance.

2. Objectives of the Combined Assurance Forum

The Combined Assurance Forum will have the following objectives:

- To provide support to the Head of Business Operations: in discharging his/her duties and responsibilities with regards to implementing and embedding the Combined Assurance Framework principles operationally as approved by the Audit and Risk Committee;
- Determine the desired level of assurance required by the Board through the Audit and Risk Committee and monitor the implementation of controls in each risk area and to ensure compliance with applicable legislation;
- Optimise the assurance coverage obtained from management, internal assurance providers and external assurance providers on the risk areas and compliance requirements affecting the organisation;
- Agree on the future assurance activity to ensure broad and efficient coverage across the identified risks and regulatory requirements;
- Review all assurance activities on a monthly basis for the first six months from effective date and thereafter on a quarterly basis;
- Highlight and review the current areas of concern (change in legislation / emerging and/or existing risk) for management;
- Operationally manage challenges that the assurance activities may face during the implementation of their activities;
- Ensure coordination, reporting and communication to stakeholders; and
- Develop a common view of the business risk themes throughout the entity.



3. Responsibilities for Combined Assurance

The following parties are responsible for providing Combined Assurance:

- Audit and Risk Committee;
- Transformation, Social and Ethics Committee;
- Investment Committee;
- Executive Committee;
- Remuneration and Nominations Committee;
- Risk Assurance and Compliance;
- Combined Assurance Forum;
- Risk Owners; and
- Regulation Owners.

Audit and Risk Committee

The Audit and Risk Committee will be responsible for:

- Approval of the Terms of Reference for the Combined Assurance Forum;
- Monitor the appropriateness and coordinate Attacq's Combined Assurance activities and ensuring that all regulatory requirements and high risk areas identified in the assessments are covered in the annual work plan;
- Evaluate the Combined Assurance activities at least annually; and
- Monitoring the relationship between external assurance providers and Attacq.

Combined Assurance Forum

The Combined Assurance Forum will be responsible for:

- Develop, review, implement and maintain an annual work plan;
- Identify, confirm and monitor the role and responsibilities of all assurance providers;
- Coordinate assurance activities of financial and non-financial information;
- Review and recommend the 3 year strategic and 1 year operational Internal Audit plan;
- Review and question progress made on internal findings;
- Review the scope of the external audit plan for financial year end results;
- Agree the external auditor's scope of work for the interim results;
- Identify and recommend the appointment of external assurance providers;
- Align methodologies and practices across all assurance providers to ensure a consistent level of reporting; and
- Report and recommend action to relevant Board sub committees on a quarterly basis.

4. Use of Assurance Providers

The Combined Assurance Forum will decide on the most appropriate assurance provider for the identified risks in conjunction with executives and/or subject matter experts. The overall assurance coverage plan, including that of Internal Audit, should be submitted to the Audit and Risk Committee for final approval.

The following minimum standards must, apply to all designated assurance providers:

- They must have the required professional competence to complete the review;
- The Combined Assurance Forum must be satisfied that the approach to be adopted in providing the assurance will be effective;

- The assurance provider report must include the objectives of the review, how the review was performed and the results against the stated objectives of the review;
- The Combined Assurance Forum must ensure adequate objectivity is achieved and potential conflicts of interest are minimised; and
- Where the external audit is to be relied upon for assurance, the Forum should inform them of this reliance to determine from the external auditors whether or not such reliance is appropriate from the work they perform or will perform.

Where no criteria exist for a specific assurance assignment, this Forum must provide guidance on the scope.

5. Authority and Reporting Lines

Authority

The Combined Assurance Forum as established under the authority of the Audit and Risk Committee and the Board will have:

- Full, free and unlimited access to all documentation and records pertaining to the assurance provided. (This will be subject to strict accountability for safekeeping and confidentiality thereof); and
- The authority to involve third parties (companies or independent consultants) to assist with the reviews where assurance is deemed insufficient.

Accountability

The Combined Assurance Forum reports to the Audit and Risk Committee on the work undertaken in establishing and maintaining the understanding of the assurance provided and the adequacy of action taken by management to address identified areas for improvement.

The Board sub-committees are responsible for ensuring that the primary objectives and function of the Combined Assurance Forum as set out above are adequately and effectively achieved. A consolidated view of all assurance activities must however still be provided to the Audit and Risk Committee.

Reporting Lines

The Combined Assurance Forum reports to the Audit and Risk Committee and will provide feedback on Combined Assurance activities on a quarterly basis.

6. Membership and Composition

The Forum will be constituted as follows:

- Chief Financial Officer, who will act as chairperson;
- The Head of Business Operations, who will be act as alternate chairperson;
- Chief Executive Officer;
- Representative from the Enterprise Risk Management function;
- Representative from the Internal Audit function;
- Representative from the Legal and Compliance function;
- Heads of Property and Asset Management;
- Representative from Group Finance; and

- Other assurance providers (e.g. legal counsel and external auditors) will be invited as and when required.

7. Meetings

The meeting guidelines for the Forum are as follows:

- The forum will meet once a month or at least 30 working days prior to the Board oversight committees;
- The Chairperson can call for ad-hoc meetings where the need arises;
- A notice period of 48 hours will be given for ad-hoc meetings; and
- The quorum for meetings will be the chairperson and the majority the departments represented in the Forum excluding Internal Audit.

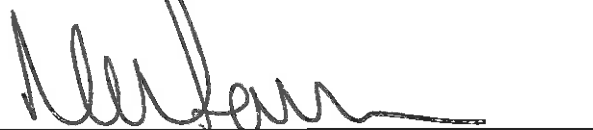
8. Key Deliverables

The key deliverables of the Forum are as follows:

- Mapping of risks and regulatory requirements to controls and the level of assurance provided and by whom;
- Develop and maintain a Combined Assurance plan; and
- Provide quarterly feedback reports, identifying assurance provided in the preceding quarter and any emerging risks that should be addressed in the near future.

9. Recommendation of the Combined Assurance Terms of Reference

This Terms of Reference is hereby adopted by the Combined Assurance Forum and recommended for approval by the Audit and Risk Committee.



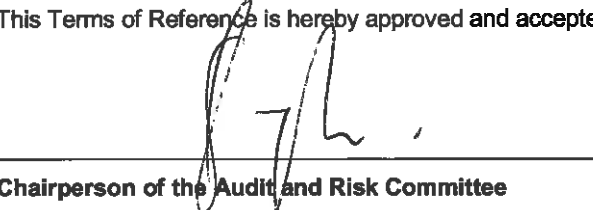
Chairperson of the Combined Assurance Forum

17 November 2015

Date:

10. Approval of the Combined Assurance Terms of Reference

This Terms of Reference is hereby approved and accepted by the Audit and Risk Committee.



Chairperson of the Audit and Risk Committee

17 November 2015

Date: