

IT governance policy

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1 Purpose

This document establishes the principles and standards for the governance of Information Technology (IT) within the Imperial Logistics Group (Imperial Logistics).

IT governance is the responsibility of the Imperial Logistics Board, which delegates this task to the Group Risk Committee. The design and management of the IT governance system is delegated to the divisional chief information officers.

2 IT governance

IT governance is an integral part of enterprise governance and consists of the leadership and organisational structures and processes that ensure that the organisation's IT sustains and extends the organisation's strategy and objectives.

The objective of IT governance is to direct IT endeavours and to ensure that IT's performance meets the following objectives:

- Alignment of IT with the enterprise and realisation of the promised benefits
- Use of IT to enable the enterprise by exploiting opportunities and maximising benefits
- Responsible use of IT resources
- Appropriate management of IT-related risks

In summary, IT governance ensures that IT goals are met and IT risks are mitigated such that IT delivers value to sustain and grow the enterprise. IT governance drives strategic alignment between IT and the business and must judiciously measure performance.

3 Key principles

The IT Governance Policy is guided by the governance principles of King IV, aligned to the group's IT governance baseline and complies with legislation as it concerns IT governance within the applicable industries in which the group operates.

The King Report on Governance for South Africa (King IV) outlines in chapter 5.4 the Governance of Information Technology (IT) providing Principle 12 which states that the governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives. In addition, King IV provides 8 recommended practices.

Due to the diverse nature of operations, Imperial Logistics has adopted seven governance baseline principles for the development and implementation of an information technology governance framework. These principles incorporate standards included in KingIV, COBIT, ITIL and ISO and starts from the premise that IT needs to deliver the information that the enterprise needs to achieve its objectives.

The seven Imperial Logistics governance baseline principles are:

- Business alignment and enablement focuses on ensuring the linkage of business and IT plans, defining, maintaining and validating the IT value proposition, and aligning IT operations with enterprise operations.
- Operations performance is about ensuring IT is capacitated with the right people who are developed and empowered and ensuring optimal IT processes and measurements are deployed.
- Sourcing requires responsible and adequate procurement of IT hardware and software and the correct selection and vetting of IT partners and suppliers.

- Supplier performance management outlines practices regarding the implementation and monitoring of service level agreements and commercial agreements
- Business continuity / disaster recovery details requirements and practices regarding the processes to ensure IT impacted disruptions
- Security promotes our views regarding data privacy, cybersecurity and user access
- Compliance sets out guidance in respect of internal monitoring and external assurance

4 Imperial Logistics IT governance framework

The governance framework in the use of IT within Imperial Logistics is defined as follows:

- The Imperial Logistics Board has assumed responsibility of IT governance and, as such, has placed it on the Group Risk Committee's charter ensuring promotion of an ethical IT governance culture and awareness. The Imperial Logistics governance baseline principles have been adopted to ensure that IT internal controls are adequate. Independent assurance on the effectiveness of the IT internal controls are provided by internal (group audit services) and external (Deloitte) auditors.
- The activities and functions of the IT strategy are aligned to the business strategy and opportunities to improve the use of IT within Imperial Logistics are identified and exploited by the Board.
- The optimal investment is made in IT, costs are managed and the return on investment is measured by the relevant divisional boards and oversight committees. Where applicable, synergies between IT initiatives are enabled and IT choices are in the best interest of the organisation as a whole.

- IT risks are identified and adequately addressed in line with the Imperial Logistics Risk Management Framework. Imperial Logistics ensures that it has adequate business resilience arrangements in place for disaster recovery and assurance has been provided to the Board.
- IT resources are sourced optimally and legitimately, keeping core capabilities in-house.
- Processes and procedures are in place to ensure that Imperial Logistics' IT assets are managed, maintained, replaced and disposed of effectively and in accordance with the IT policy.
- Infrastructure, systems and policies are in place for the management of information which includes information security and information privacy.
- The audit committee considers IT as it relates to financial reporting and the going concern of the company by regular and risk-based audit coverage.
- IT use is sustainable with respect to the environment.

5 Responsibilities

Imperial Logistics' board carries out its governance duties through various committees that oversee the governance of IT. IT governance is applied at three levels: strategic, tactical and operational. For the purposes of this document, the key committees that oversee IT governance are:

- The Imperial Logistics Board of Directors, the Group Risk Committee and the Group Audit Committee at a strategic level;
- The group's executive committees and regional CIO forums at a tactical level; and
- The IT steering committee and project committee at the operational level.

6 Implementation of policy

The IT governance policy will be rolled out across the Imperial Logistics Group. It needs to be embraced by Imperial Logistics and its related processes filtered into the daily IT operations and the way we do business.