



FINANCIAL POLICY

Guidelines and Principles

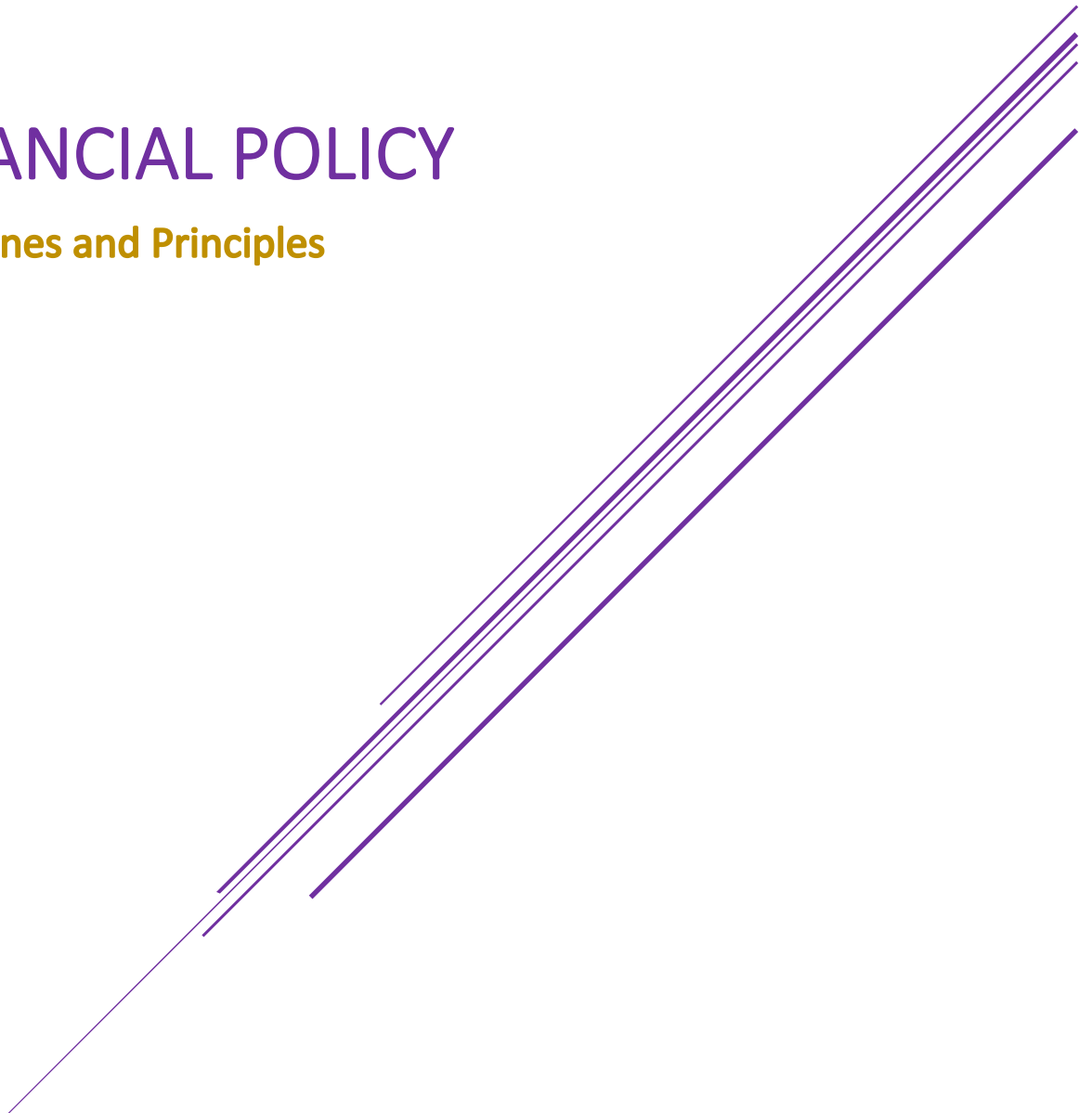


Table of Contents

Introduction	2
Accounting and Bookkeeping Procedures.....	2
Budgeting	3
Cash Management	4
Credit Policy	5
Debt Management	6
Financial Reporting	7
Investment Policy	8
Investment objectives:	9
Investment guidelines:	9
Risk Management	10
Tax Policy	11
Tax Compliance	11
Tax Planning	11
Transfer Pricing.....	11
Tax Disputes	11
Tax Policy Summary.....	12
Whistleblower Policy.....	12
Conclusion.....	13

Introduction

Ngand Technology Ltd is committed to the financial growth and stability of the company. As a dynamic and leading Zambian-based tech company, we recognize the importance of developing a comprehensive financial policy that aligns with our company values, goals, and the Zambian business environment. The policy serves as a guide for all financial activities and decision-making processes within the organization.

The purpose of this policy is to ensure the prudent management of financial resources and to promote transparency and accountability in all financial transactions. It is our belief that adhering to sound financial practices will enhance our ability to meet our organizational objectives and ultimately lead to long-term sustainability.

This policy will outline the principles and procedures for managing the financial resources of Ngand Technology Ltd. It will provide guidance on financial planning, budgeting, accounting, procurement, and reporting. Additionally, it will outline the roles and responsibilities of key stakeholders, including the Board of Directors, senior management, and staff.

We recognize that the Zambian business environment is constantly evolving, and this policy will be reviewed and updated regularly to ensure that it remains relevant and responsive to any changes in the regulatory and business environment. We encourage all stakeholders to familiarize themselves with this policy and to comply with its requirements to ensure the success of our company.

Accounting and Bookkeeping Procedures

Accounting and bookkeeping procedures are essential for the accurate recording of all financial transactions that take place within the company. This includes all expenses, revenues, assets, and liabilities. Ngand Technology Ltd shall follow Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) in maintaining its financial records.

All financial transactions must be recorded in a timely, accurate, and consistent manner. The company shall maintain a chart of accounts, which will include all necessary accounts for tracking revenues, expenses, assets, and liabilities. The company shall also maintain a general ledger, which will record all transactions and provide the basis for financial statements.

All transactions shall be supported by appropriate documentation, including invoices, receipts, purchase orders, and contracts. All documentation shall be filed in an organized manner and retained for the appropriate period, as required by law.

Ngand Technology Ltd shall maintain accurate and up-to-date financial records to facilitate the preparation of financial statements, tax returns, and other reports as required by law or for business purposes. The company shall reconcile its bank accounts and credit card statements on a monthly basis to ensure the accuracy of its financial records.

The company shall also establish internal controls to safeguard its assets and prevent fraud. This includes the segregation of duties, authorization controls, and regular reviews of financial transactions by management.

In compliance with Zambian tax laws, Ngand Technology Ltd shall keep accurate and complete records of all tax-related transactions, including income tax, value-added tax (VAT), and withholding tax. The company shall ensure timely and accurate filing of tax returns and payment of taxes due. The company shall also maintain proper documentation to support tax filings and payments. Any changes to tax laws and regulations shall be promptly reviewed by the company to ensure compliance.

Ngand Technology Ltd shall ensure that its accounting and bookkeeping procedures comply with all relevant Zambian laws, regulations, and accounting standards. The company shall also ensure that its financial records are audited annually by a reputable and independent auditing firm. The audit shall be conducted in accordance with international auditing standards to ensure the accuracy and reliability of the financial statements.

Budgeting

Budgeting is a critical component of financial management for Ngand Technology Ltd. We understand the importance of creating and maintaining a budget to ensure the company's financial stability and success. As a Zambian business, we recognize that the economic landscape of the country is constantly changing, and as such, we must be proactive in our budgeting processes to mitigate financial risks.

The budgeting process for Ngand Technology Ltd. begins with the identification of the company's short-term and long-term financial goals. We conduct a thorough analysis of the company's financial history and projections to create a detailed budget that reflects our financial targets. The budgeting process involves collaboration between the company's financial management team, department heads, and other key stakeholders. The budget is then reviewed and approved by the board of directors.

Our budgeting process is flexible, allowing for adjustments and updates as necessary. We regularly review our budget to ensure that we are meeting our financial goals and make any necessary changes to the

budget accordingly. We also conduct regular variance analyses to identify any discrepancies between budgeted and actual expenses and revenue.

As part of our commitment to financial transparency, we make our budget available to all senior managers, shareholders, and stakeholders. This allows for a collaborative approach to financial management and ensures that everyone is aware of the company's financial goals and targets.

Furthermore, as a Zambian business, we understand the importance of fiscal responsibility and the need to be compliant with all relevant regulations and laws. We ensure that our budgeting process adheres to the relevant Zambian laws and regulations and that our budget is in compliance with all necessary tax and accounting requirements.

In summary, our budgeting process is a critical aspect of our financial management strategy. It is an ongoing process that involves collaboration, analysis, and review to ensure that we are meeting our financial goals and remaining fiscally responsible. We are committed to financial transparency and compliance with all relevant regulations and laws.

Cash Management

Cash management is an essential aspect of financial policy for any business, and Ngand Technology Ltd recognizes the importance of efficient cash management in maintaining its financial stability. In Zambia, cash management is particularly important due to the challenges associated with access to credit, foreign exchange risk, and the volatility of the local currency.

Ngand Technology Ltd will implement a robust cash management system that emphasizes the efficient collection and management of cash and cash equivalents. The company will establish clear procedures for the handling of cash, including the segregation of duties and the implementation of controls to minimize the risk of fraud and error.

To ensure that the company has sufficient cash reserves, a cash flow forecast will be prepared regularly to estimate the expected inflows and outflows of cash over the coming months. This forecast will be updated on a monthly basis to ensure that it remains accurate and reflects any changes in the business environment.

In order to optimize the management of cash reserves, Ngand Technology Ltd will implement an investment policy that outlines the criteria for investing surplus cash. The policy will outline the types of

investments that are permissible and the expected returns on these investments. The company will regularly review its investment policy to ensure that it remains relevant and effective.

To manage foreign exchange risk, the company will monitor exchange rate fluctuations and consider hedging strategies to minimize the risk of losses due to currency movements. The company will also manage credit risk by establishing credit policies and procedures for customers and suppliers.

Ngand Technology Ltd will also implement electronic payment systems to improve the efficiency of cash management. The company will encourage customers to make electronic payments, such as through mobile money or online banking, to reduce the amount of cash that is handled on a daily basis. The company will also make payments electronically whenever possible, to reduce the need for manual processing and minimize the risk of errors.

In conclusion, efficient cash management is essential to the success of Ngand Technology Ltd in Zambia. By implementing a robust cash management system, the company will ensure that it has sufficient cash reserves, minimize the risk of fraud and error, and optimize the management of its investments. The company will also manage foreign exchange and credit risk, and implement electronic payment systems to improve the efficiency of its cash management processes.

Credit Policy

Our company recognizes the importance of having a well-defined credit policy to minimize the risk of bad debt and cash flow issues. We have developed a credit policy that outlines the terms and conditions for extending credit to customers.

1. Credit Application Process:

We require customers to complete a credit application before we extend credit to them. The credit application includes information such as the customer's name, address, contact information, business type, and banking information. We verify the customer's credit history and make a decision based on the credit score, payment history, and other relevant factors. Once approved, we assign a credit limit to each customer based on their creditworthiness.

2. Credit Terms:

We offer credit terms of net 30 days to our customers. This means that payment is due within 30 days of the invoice date. In some cases, we may extend credit terms of net 60 days to customers with a higher credit score.

3. Late Payment:

We monitor customer payments closely and follow up with customers who do not pay on time. If a customer's payment is more than 60 days past due, we may charge interest on the overdue balance. We also reserve the right to suspend further credit until the account is brought up to date.

4. Collections:

If a customer is more than 90 days past due, we will engage a third-party collections agency to collect the overdue balance. We reserve the right to take legal action if necessary to recover the outstanding debt.

5. Credit Risk Management:

To minimize the risk of bad debt, we periodically review our customers' credit scores and payment history. If a customer's creditworthiness has declined, we may reduce the credit limit or suspend credit altogether. We also monitor the economic environment and may adjust credit terms based on market conditions.

Our credit policy is designed to ensure that we extend credit only to customers who have a good credit history and are likely to pay on time. This policy also helps us minimize the risk of bad debt and cash flow issues. We regularly review our credit policy and make adjustments as necessary to ensure that it is aligned with our business goals and objectives.

Debt Management

Debt management is an essential aspect of financial policy for Ngand Technology Ltd. The company will take a proactive approach to manage its debt by minimizing its reliance on debt financing and carefully managing the debt it does incur.

To ensure effective debt management, Ngand Technology Ltd will adhere to the following principles:

- 1. Careful Analysis of Debt Financing Options:** Before taking on any debt, the company will conduct a careful analysis of its financing options. This will involve assessing the costs and benefits of various types of debt financing, including bank loans, bonds, and other sources of debt.
- 2. Responsible Use of Debt:** Ngand Technology Ltd will only use debt financing for strategic purposes, such as funding growth or acquiring assets that will generate long-term value for the company. The company will avoid using debt to fund day-to-day operations or other non-strategic activities.

3. **Debt Service Coverage Ratio:** Ngand Technology Ltd will maintain a debt service coverage ratio of at least 1.2x. This means that the company's operating income will be at least 20% greater than its annual debt service payments. This will provide a margin of safety in case of unexpected changes in the company's cash flow or profitability.
4. **Debt Repayment Schedule:** The company will develop a debt repayment schedule that is consistent with its long-term financial goals. This will involve setting a realistic timetable for repaying principal and interest on outstanding debt, and ensuring that the company has sufficient cash flow to meet its debt obligations.
5. **Negotiation of Favorable Debt Terms:** Ngand Technology Ltd will negotiate favorable terms for its debt financing, including interest rates, repayment schedules, and covenants. The company will work with its lenders to ensure that its debt financing aligns with its long-term financial goals and that it is not unduly burdensome.
6. **Monitoring of Debt Levels:** The company will closely monitor its debt levels to ensure that it does not become overleveraged. The company will maintain a debt-to-equity ratio of no more than 1.0x and a debt-to-EBITDA ratio of no more than 3.0x. If the company's debt levels exceed these thresholds, it will take steps to reduce its debt burden.

By following these principles, Ngand Technology Ltd will be able to effectively manage its debt and ensure its long-term financial sustainability. The company's management will regularly review and update its debt management policies and procedures to ensure that they remain relevant and effective.

Financial Reporting

Financial reporting is a critical aspect of Ngand Technology Ltd's financial policy. The company recognizes the importance of providing accurate and timely financial information to its stakeholders, including shareholders, investors, creditors, and regulators. The financial reporting process should adhere to the International Financial Reporting Standards (IFRS) and comply with local regulatory requirements. Ngand Technology Ltd. will ensure that its financial reporting process is transparent, reliable, and consistent.

The company's financial reporting policy will outline the roles and responsibilities of the finance department and other stakeholders involved in the financial reporting process. The policy will also specify the accounting principles and methods to be used, including the frequency of reporting, the format of financial statements, and the criteria for recognizing revenues and expenses. Ngand Technology Ltd. will

use accounting software to streamline the financial reporting process, improve accuracy, and minimize errors.

The financial reports that Ngand Technology Ltd. will produce will include the balance sheet, income statement, and cash flow statement. These financial statements will provide a clear picture of the company's financial position, performance, and cash flow. The company will also produce a statement of changes in equity that shows the changes in equity during the reporting period. The financial reports will be audited by an external auditor to ensure that they are free from material misstatements and comply with IFRS and local regulatory requirements.

The financial reporting policy will also specify the frequency and format of reporting. Ngand Technology Ltd. will prepare monthly management accounts that provide a detailed analysis of the financial performance of the company. These reports will be reviewed by senior management and the board of directors to assess the company's financial performance and make informed decisions. In addition to monthly management accounts, Ngand Technology Ltd. will produce quarterly and annual financial statements that comply with regulatory requirements.

Ngand Technology Ltd. recognizes the importance of financial reporting in building trust with stakeholders. The company is committed to providing timely, accurate, and transparent financial information that enables stakeholders to make informed decisions. The financial reporting policy will be regularly reviewed and updated to ensure that it continues to meet the company's needs and comply with regulatory requirements.

Investment Policy

Ngand Technology Ltd acknowledges that investing in various assets is an important component of financial management. As a leading technology company, we recognize the need for strategic investment to support our growth and development.

The company will maintain a diverse portfolio of investments that will help mitigate risks and provide sufficient returns to support the company's operations and growth. The company's investment policy will be reviewed regularly to ensure that it remains relevant to the company's goals and objectives.

Investment objectives:

The primary objective of Ngand Technology Ltd investment policy is to maximize returns on investments, while ensuring adequate liquidity and minimizing risks. The company's investment objectives will be achieved through the following:

1. **Diversification of investments:** The company will invest in a variety of assets to mitigate risk and ensure a balanced portfolio. The company will diversify investments across different industries and asset classes, including but not limited to, stocks, bonds, and mutual funds.
2. **Risk management:** The company will manage risks associated with investments through various strategies, including diversification, regular monitoring, and investment in low-risk assets.
3. **Liquidity management:** The company will maintain sufficient liquidity to meet its operational and financial obligations. Investments will be made based on the company's liquidity requirements and cash flow projections.

Investment guidelines:

1. **Asset allocation:** The company will adopt a disciplined approach to asset allocation, taking into consideration the company's risk tolerance, liquidity needs, and investment objectives.
2. **Selection of investments:** The company will select investments that are consistent with its investment objectives and risk tolerance. Investments will be made based on thorough analysis of market trends, financial ratios, and company performance.
3. **Monitoring of investments:** The company will monitor investments on a regular basis to ensure they are consistent with the company's investment policy and objectives. Investments will be reviewed quarterly to ensure they are performing according to expectations.
4. **Investment restrictions:** The company will impose restrictions on investments in order to manage risks and ensure compliance with applicable laws and regulations. These restrictions may include limits on the percentage of investments in any single asset class or issuer.
5. **Investment in related parties:** The company will avoid investing in related parties, as this may create conflicts of interest.

Ngand Technology Ltd will maintain records of all investment transactions and will report on its investment performance on a quarterly basis. The company will also engage the services of a reputable investment advisor to provide guidance on investment decisions and portfolio management. The investment policy will be reviewed regularly to ensure it remains relevant and effective in achieving the company's goals and objectives.

Risk Management

Risk management is an integral part of the financial policy of Ngand Technology Ltd. As a technology company operating in Zambia, we recognize the potential risks and uncertainties that can affect our financial position, operations, and reputation. Our risk management policy aims to identify, assess, and manage risks to minimize their impact on the company's financial performance and sustainability.

The risk management process at Ngand Technology Ltd begins with identifying the potential risks that may affect our operations. We conduct a risk assessment that involves analyzing the likelihood and impact of each risk. We then prioritize the risks based on their potential impact and develop a risk management plan that outlines the strategies and measures we will take to mitigate or manage the identified risks.

We have established a risk management committee that is responsible for overseeing the risk management process. The committee comprises senior management representatives from various departments, including finance, operations, and legal. The committee meets regularly to review the identified risks, assess their effectiveness, and ensure that the risk management plan is up to date.

To manage financial risks, Ngand Technology Ltd has implemented various strategies and measures. For instance, we have established internal controls to monitor and manage cash flows, credit risks, and investment risks. We also diversify our investment portfolio to spread risks across various asset classes, and we regularly review our investment performance to ensure that we are meeting our financial targets.

Ngand Technology Ltd also manages operational risks by ensuring that we have adequate insurance coverage, including property, liability, and business interruption insurance. We also maintain robust IT security measures to protect our systems and data from cyber threats.

We recognize that risks are inherent in any business, and we cannot eliminate all risks. However, our risk management policy ensures that we are aware of the potential risks, and we have measures in place to mitigate or manage them. Our commitment to risk management ensures that we can sustain our financial performance and continue to grow and innovate in the technology industry in Zambia.

Tax Policy

Ngand Technology Ltd recognizes that taxes are a critical aspect of its operations and an essential part of the country's development. The company is committed to complying with all applicable tax laws and regulations in Zambia. The tax policy of Ngand Technology Ltd is designed to ensure that the company complies with all tax laws and regulations in a timely and efficient manner while maximizing shareholder value.

Tax Compliance

The company will ensure compliance with all tax laws and regulations in Zambia, including but not limited to Value Added Tax (VAT), Pay As You Earn (PAYE), withholding taxes, and corporate income tax. The finance department will work closely with the Zambia Revenue Authority (ZRA) to ensure that all tax returns are filed on time, and all taxes are paid within the required deadlines.

Tax Planning

Ngand Technology Ltd recognizes that tax planning is a critical component of its operations. The company will engage in tax planning activities to minimize its tax liabilities while complying with all tax laws and regulations. Tax planning activities will be conducted in an ethical and transparent manner, and the company will not engage in any activities that are illegal or contrary to the spirit of the tax laws and regulations.

Transfer Pricing

Ngand Technology Ltd recognizes the importance of transfer pricing in the tax compliance of multinational companies. The company will ensure that all intercompany transactions are conducted at arm's length and in compliance with the transfer pricing regulations in Zambia. The finance department will work closely with the ZRA to ensure that all transfer pricing documentation is up to date and in compliance with the regulations.

Tax Disputes

In the event of a tax dispute, Ngand Technology Ltd will work closely with the ZRA to resolve the issue as soon as possible. The company will cooperate fully with the ZRA in any tax audit or investigation and will provide all necessary documentation and information in a timely and efficient manner.

Tax Policy Summary

Ngand Technology Ltd recognizes the importance of taxes in the development of Zambia and is committed to complying with all tax laws and regulations in an ethical and transparent manner. The tax policy of the company is designed to ensure compliance with all tax laws and regulations while maximizing shareholder value. The finance department will work closely with the ZRA to ensure that all tax-related activities are conducted efficiently and effectively.

Whistleblower Policy

The Whistleblower Policy of Ngand Technology Ltd. is an essential part of the company's commitment to maintaining high ethical standards and ensuring compliance with applicable laws and regulations. This policy provides a mechanism for employees and other stakeholders to report any concerns they may have about actual or potential violations of the law, company policies, or ethical standards.

Ngand Technology Ltd. recognizes that it can be difficult for employees to report concerns about misconduct or other issues, especially if those concerns involve senior executives or other individuals in positions of authority. To address this, the company has established this Whistleblower Policy to provide a safe and confidential way for employees to report such concerns without fear of retaliation.

The Whistleblower Policy applies to all employees of Ngand Technology Ltd., as well as to contractors, vendors, and other stakeholders who have a business relationship with the company. The policy covers any concerns related to actual or potential violations of the law, company policies, or ethical standards, including but not limited to:

1. Accounting or auditing irregularities
2. Bribery, corruption, or kickbacks
3. Discrimination or harassment
4. Environmental, health, or safety violations
5. Fraud or theft
6. Improper financial reporting
7. Insider trading or securities fraud
8. Misuse of company assets
9. Noncompliance with applicable laws, regulations, or company policies
10. Retaliation against whistleblowers.

Any employee or stakeholder who has a concern about any of these issues is encouraged to report it promptly. Reports may be made to the employee's supervisor or to the company's designated Whistleblower Hotline, which is available 24/7. The hotline is operated by an independent third-party service provider, which ensures that all reports are handled confidentially and that whistleblowers are protected from retaliation.

All reports received under the Whistleblower Policy will be promptly and thoroughly investigated. The company will take appropriate action to address any substantiated concerns, including disciplinary action against employees who violate company policies or the law.

Ngand Technology Ltd. prohibits retaliation against any employee or stakeholder who reports a concern under the Whistleblower Policy in good faith. Any employee who engages in retaliation against a whistleblower will be subject to disciplinary action, up to and including termination of employment.

The company is committed to maintaining the confidentiality of whistleblowers to the fullest extent possible, consistent with applicable laws and regulations. However, it may be necessary to disclose the identity of the whistleblower in certain circumstances, such as when required by law or when necessary to conduct a thorough investigation.

In summary, Ngand Technology Ltd. encourages all employees and stakeholders to report any concerns about potential violations of the law, company policies, or ethical standards promptly and without fear of retaliation. The company is committed to maintaining a culture of integrity and accountability and to upholding the highest standards of ethical conduct.

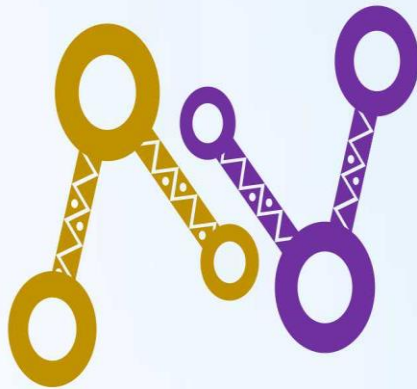
Conclusion

From the foregoing, this financial policy serves as a guide to Ngand Technology Ltd's financial management, outlining various procedures and policies to be followed to ensure the company's financial stability and success. The Zambian business environment can be challenging, but with a clear financial policy and a commitment to following it, Ngand Technology Ltd is well-positioned to achieve its financial goals.

It is essential to note that financial management is not a one-time event but an ongoing process that requires consistent monitoring and review to ensure that the company's financial position remains strong. Therefore, all employees must understand and adhere to this financial policy, and any updates or changes made to it must be communicated effectively to all relevant parties.

As the company grows, the financial policy may need to be revised to reflect new financial goals and objectives. Therefore, it is essential to have a regular review of this policy to ensure that it remains relevant to the company's current financial position.

Ngand Technology Ltd is committed to achieving financial success through sound financial management practices. This financial policy outlines the company's commitment to financial stability and serves as a guide for all employees to follow in their financial management activities. By adhering to these policies and procedures, the company can ensure its financial position remains strong and well-positioned for growth and success in the Zambian business environment.



NGAND
TECHNOLOGY LIMITED