TAX COMPLIANCE AND PLANNING POLICY

JANUARY 2026

POLICY NUMBER: TMG-SEC-036
APPROVAL AUTHORITY: BOARD OF DIRECTORS

THE MAZI GROUP

1. PURPOSE

This Tax Compliance and Planning Policy establishes The Mazi Group's framework for managing tax obligations and planning across all jurisdictions where we operate. Proper tax management ensures compliance with laws, minimizes risk, and supports responsible corporate citizenship for Mazi Beauty, Glam Switch, On The Go Mists, and Upvendo.

2. SCOPE

This policy applies to:

- All tax types: income, sales/VAT, payroll, property, customs
- All entities within The Mazi Group
- All geographic jurisdictions
- All employees involved in tax-related activities

3. TAX PRINCIPLES

- **Compliance:** Comply with all tax laws and regulations
- **Integrity:** File accurate and complete tax returns
- **Transparency:** Maintain open relationships with tax authorities
- **Responsibility:** Pay fair share of taxes where value is created
- **Efficiency:** Manage tax position within legal boundaries

4. TAX GOVERNANCE

4.1 Oversight

- CFO responsible for tax strategy
- Audit Committee oversight of tax matters
- Board informed of significant tax issues

4.2 Tax Function

- Centralized tax management
- Qualified tax professionals
- External advisors as needed

- Clear roles and responsibilities

5. INCOME TAX COMPLIANCE

5.1 Federal/National Income Tax

- Timely filing of all returns
- Accurate calculation of taxable income
- Proper application of tax provisions
- Estimated tax payments

5.2 State/Provincial Income Tax

- Nexus analysis and monitoring
- Apportionment calculations
- State-specific requirements
- Multistate compliance

5.3 International Tax

- Transfer pricing compliance
- Permanent establishment analysis
- Withholding tax obligations
- Tax treaty benefits
- Country-by-country reporting
- BEPS compliance

6. SALES AND USE TAX / VAT

6.1 US Sales Tax

- Nexus determination and monitoring
- Registration in required jurisdictions
- Proper tax collection on taxable sales
- Exemption certificate management
- Timely filing and remittance

- Economic nexus compliance (post-Wayfair)

6.2 VAT/GST

- Registration in required jurisdictions
- Proper VAT treatment of transactions
- Input VAT recovery
- Timely filing and payment
- E-commerce VAT compliance

6.3 E-commerce Considerations

- Marketplace facilitator rules
- Digital services taxes
- Cross-border e-commerce
- Customer location determination

7. PAYROLL TAX

- Proper withholding from employee wages
- Employer tax obligations
- Timely deposits and filings
- Year-end reporting (W-2, 1099)
- Multi-jurisdiction compliance
- International assignee taxation

8. CUSTOMS AND IMPORT DUTIES

- Proper classification of imported goods
- Accurate valuation
- Country of origin determination
- Free trade agreement utilization
- Customs broker management
- Record keeping requirements

9. TAX PLANNING

9.1 Approach

- Tax planning aligned with business operations
- Substance over form
- Avoid aggressive tax positions
- Consider reputational risk
- Document tax positions

9.2 Transfer Pricing

- Arm's length pricing for intercompany transactions
- Transfer pricing documentation
- Benchmarking studies
- Advance pricing agreements where appropriate

9.3 Tax Incentives

- Identify available tax incentives
- R&D tax credits
- Investment incentives
- Proper documentation and compliance

10. TAX RISK MANAGEMENT

10.1 Risk Assessment

- Identify tax risks
- Assess likelihood and impact
- Implement controls
- Monitor changes in tax law

10.2 Uncertain Tax Positions

- Evaluate technical merits
- Document positions

- Accrue reserves as required
- Disclose in financial statements

10.3 Tax Audits

- Cooperate with tax authorities
- Coordinate audit responses
- Maintain audit defense files
- Escalate significant issues

11. TAX ACCOUNTING

- Accurate tax provision calculations
- Deferred tax asset/liability analysis
- Valuation allowance assessment
- Effective tax rate analysis
- Tax footnote disclosures

12. RECORD KEEPING

- Maintain tax records per retention requirements
- Support for tax return positions
- Transfer pricing documentation
- Exemption certificates
- Audit trail for tax calculations

13. TECHNOLOGY AND SYSTEMS

- Tax technology for compliance
- Sales tax automation
- Tax provision software
- Data integrity controls

14. EXTERNAL ADVISORS

- Engage qualified tax advisors

- Clear scope of engagement
- Review advisor work product
- Maintain independence where required

15. ROLES AND RESPONSIBILITIES

15.1 Tax Department

- Manage tax compliance
- Prepare and review tax returns
- Tax planning and research
- Manage audits and controversies
- Tax accounting

15.2 Finance/Accounting

- Provide data for tax compliance
- Support tax provision process
- Implement tax-related controls

15.3 Business Units

- Consult Tax on new transactions
- Provide information for compliance
- Implement tax requirements in operations

16. RELATED POLICIES

This policy should be read in conjunction with:

- TMG-SEC-005: Records Management and Document Retention Policy
- TMG-SEC-033: Financial Controls and Internal Audit Policy
- TMG-SEC-035: Revenue Recognition and Accounting Standards
- TMG-SEC-050: Import/Export and Customs Compliance

17. POLICY REVIEW

This policy shall be:

- Reviewed annually by Tax and Finance
- Updated for tax law changes
- Approved by CFO
- Communicated to relevant personnel

18. DEFINITIONS

- **Nexus:** Sufficient connection to a jurisdiction to create tax obligations.
- **Transfer Pricing:** Pricing of transactions between related entities.
- **BEPS:** Base Erosion and Profit Shifting - OECD initiative on international tax.
- **Arm's Length:** Price that would be charged between unrelated parties.
- **Tax Provision:** Estimate of income tax expense for financial reporting.

For questions about this policy, contact:

Finance Department

finance@mazigroup.us