VENDOR AND SUPPLIER MANAGEMENT POLICY

JANUARY 2026

POLICY NUMBER: TMG-SEC-014
APPROVAL AUTHORITY: BOARD OF DIRECTORS

THE MAZI GROUP

1. PURPOSE

This Vendor and Supplier Management Policy establishes The Mazi Group's standards and procedures for selecting, engaging, managing, and evaluating vendors and suppliers. Effective vendor management is essential to ensuring quality, controlling costs, managing risks, and maintaining ethical standards across our supply base for all brands: Mazi Beauty, Glam Switch, On The Go Mists, and Upvendo.

2. SCOPE

This policy applies to:

- All procurement of goods and services by The Mazi Group and its subsidiaries
- All categories: raw materials, components, packaging, manufacturing, logistics, technology, and professional services
- All employees involved in vendor selection, contracting, and management
- All vendors, suppliers, and service providers
- All geographic regions and business units

3. PROCUREMENT PRINCIPLES

The Mazi Group's procurement activities are guided by:

- **Value:** Optimize total cost of ownership, not just purchase price
- **Quality:** Ensure goods and services meet our standards
- **Ethics:** Conduct procurement with integrity and fairness
- **Compliance:** Adhere to all applicable laws and regulations
- **Sustainability:** Consider environmental and social factors
- **Risk Management:** Identify and mitigate supply risks

4. VENDOR SELECTION

4.1 Sourcing Process

- Define requirements clearly before sourcing
- Identify potential vendors through research and referrals
- Issue RFPs/RFQs for significant purchases

- Evaluate vendors against defined criteria
- Conduct due diligence on selected vendors
- Document selection rationale

4.2 Evaluation Criteria

Category	Criteria
Quality	Certifications, quality systems, track record, testing capabilities
Commercial	Pricing, payment terms, total cost of ownership
Capability	Capacity, technical expertise, innovation, scalability
Financial	Financial stability, creditworthiness
Compliance	Regulatory compliance, certifications, licenses
Ethics	Labor practices, anti-corruption, code of conduct
Sustainability	Environmental practices, social responsibility
Risk	Geographic risk, single-source risk, business continuity

4.3 Due Diligence

- Verify business registration and licenses
- Check references from other customers
- Review financial statements for significant vendors
- Conduct site visits for critical suppliers
- Screen against sanctions and watchlists
- Assess anti-corruption risk per TMG-SEC-004

4.4 Approval Requirements

Contract Value	Approval Required
Under $25,000	Department Manager
$25,000 - $100,000	Department Head

$100,000 - $500,000	VP/Executive + Procurement
Over $500,000	C-Level Executive
Over $1,000,000	CEO or Board (per governance policy)

5. VENDOR QUALIFICATION

5.1 Qualification Requirements

- Complete vendor qualification questionnaire
- Provide required certifications and documentation
- Acknowledge Supplier Code of Conduct (TMG-SEC-007)
- Pass quality and compliance assessments
- Execute required agreements

5.2 Category-Specific Requirements

Manufacturing Partners

- GMP certification for cosmetics and pharmaceuticals
- ISO 9001 quality management certification
- Facility audit and approval
- Quality agreement execution

Technology Vendors

- Security certifications (SOC 2, ISO 27001)
- Data processing agreements for personal data
- PCI DSS compliance for payment processing
- Service level agreements

Raw Material Suppliers

- Material specifications and certificates of analysis
- Regulatory compliance documentation
- Traceability capabilities
- Quality agreements

5.3 Approved Vendor List

- Maintain approved vendor list (AVL) by category
- Purchase only from approved vendors for controlled categories
- Review and update AVL periodically
- Remove vendors who fail to meet standards

6. CONTRACTING

6.1 Contract Requirements

- Use company-approved contract templates
- Legal review required for non-standard terms
- Include appropriate terms for scope, pricing, quality, compliance
- Address intellectual property ownership and protection
- Include confidentiality provisions
- Define termination rights and procedures

6.2 Key Contract Provisions

- Clear scope of work and deliverables
- Pricing and payment terms
- Quality requirements and acceptance criteria
- Delivery schedules and lead times
- Warranty and liability provisions
- Insurance requirements
- Compliance with laws and company policies
- Audit rights
- Data protection and security requirements
- Business continuity requirements

6.3 Contract Management

- Maintain contract repository
- Track contract terms and expirations
- Monitor compliance with contract terms

- Manage renewals and amendments

7. VENDOR PERFORMANCE MANAGEMENT

7.1 Performance Metrics

- Quality: Defect rates, rejection rates, compliance with specifications
- Delivery: On-time delivery, lead time performance
- Service: Responsiveness, issue resolution, communication
- Cost: Price competitiveness, cost reduction initiatives
- Compliance: Adherence to policies and regulations

7.2 Performance Reviews

- Conduct regular performance reviews (quarterly for strategic vendors)
- Use vendor scorecards to track performance
- Share feedback with vendors
- Develop improvement plans for underperformers
- Recognize and reward high performers

7.3 Vendor Development

- Invest in strategic vendor relationships
- Collaborate on improvement initiatives
- Share forecasts and business plans
- Support vendor capability development

8. VENDOR AUDITS

8.1 Audit Program

- Conduct risk-based vendor audits
- Annual audits for critical and high-risk vendors
- Periodic audits for other vendors based on risk
- Use qualified internal or external auditors

8.2 Audit Scope

- Quality management systems
- Regulatory compliance
- Ethical practices and labor conditions
- Environmental practices
- Information security (for technology vendors)
- Financial controls

8.3 Audit Follow-up

- Document audit findings
- Require corrective action plans for deficiencies
- Verify corrective action implementation
- Escalate serious findings to management

9. VENDOR RISK MANAGEMENT

9.1 Risk Assessment

- Assess vendor risk during selection and periodically
- Consider financial, operational, compliance, and reputational risks
- Classify vendors by risk level
- Apply appropriate controls based on risk

9.2 Risk Mitigation

- Diversify supply base for critical materials
- Qualify backup vendors
- Maintain safety stock where appropriate
- Include business continuity requirements in contracts
- Monitor vendor financial health

9.3 Issue Management

- Establish escalation procedures for vendor issues
- Document and track vendor issues

- Require root cause analysis and corrective actions
- Consider vendor status changes for repeated issues

10. SUPPLIER DIVERSITY

- Commit to supplier diversity and inclusion
- Seek opportunities to engage diverse suppliers
- Track and report diverse supplier spend
- Participate in supplier diversity programs
- Support diverse supplier development

11. ETHICAL PROCUREMENT

- Conduct procurement with integrity and fairness
- Avoid conflicts of interest
- Do not accept inappropriate gifts or entertainment
- Maintain confidentiality of vendor information
- Treat all vendors fairly and consistently
- Report ethics concerns per TMG-SEC-021

12. VENDOR TERMINATION

12.1 Termination Triggers

- Persistent quality or delivery failures
- Compliance violations
- Ethical breaches
- Financial instability
- Business decision to change suppliers
- Contract expiration without renewal

12.2 Termination Process

- Follow contract termination provisions
- Provide appropriate notice

- Plan transition to alternative suppliers
- Ensure return of company property and information
- Complete final payments per contract
- Document termination rationale

13. ROLES AND RESPONSIBILITIES

13.1 Procurement

- Lead sourcing and vendor selection
- Negotiate contracts and pricing
- Manage vendor relationships
- Maintain approved vendor list
- Track vendor performance

13.2 Business Units

- Define requirements and specifications
- Participate in vendor evaluation
- Monitor day-to-day vendor performance
- Report vendor issues

13.3 Quality Assurance

- Define quality requirements
- Conduct quality audits
- Approve vendors for quality-critical categories
- Manage quality issues with vendors

13.4 Legal

- Review and approve contracts
- Advise on legal and compliance matters
- Support dispute resolution

14. RELATED POLICIES

This policy should be read in conjunction with:

- TMG-SEC-004: Anti-Corruption and Anti-Bribery Policy
- TMG-SEC-007: Ethical Sourcing and Supplier Code of Conduct
- TMG-SEC-011: Supply Chain Management and Risk Mitigation Policy
- TMG-SEC-019: Third-Party Data Sharing and Processing Agreements
- TMG-SEC-033: Financial Controls and Internal Audit Policy
- TMG-SEC-037: Conflict of Interest Policy

15. POLICY REVIEW

This policy shall be:

- Reviewed annually by Procurement and Finance leadership
- Updated to reflect business and regulatory changes
- Approved by the Chief Financial Officer
- Communicated to all relevant employees

16. DEFINITIONS

- **Vendor/Supplier:** Any external party providing goods or services to The Mazi Group.
- **RFP:** Request for Proposal - formal solicitation for vendor proposals.
- **RFQ:** Request for Quotation - formal request for pricing.
- **AVL:** Approved Vendor List - list of qualified vendors.
- **Total Cost of Ownership:** Complete cost including purchase price, implementation, operation, and disposal.

For questions about this policy, contact:

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