

# **AGREEMENT**

This agreement is signed on \_\_\_\_\_ between M/s Hippo Corporation a Firm registered under the Firm having its Registered office at Opposite Plot No. 114 , PU – 4 , Schm – 54 , Vijay Nagar , Indore , MP , 452010, INDIA acting through its *Director (Name)* hereinafter called Firm which expression shall, unless repugnant to the context, include its successors in business, administrators, liquidators and assigns or legal representatives) of the FIRST PARTY

AND

Shri/Smt. \_\_\_\_\_ aged \_\_\_\_\_ years S/o D/o W/o \_\_\_\_\_  
house \_\_\_\_\_ post \_\_\_\_\_ street \_\_\_\_\_ Tehsil \_\_\_\_\_  
District \_\_\_\_\_ State \_\_\_\_\_ (hereinafter called as Direct Seller which expression shall include my/our heirs, executors and administrators estates assigns and effects wherein the context so admits or requires) of the second party.

Definitions:-

The following words used in these presents shall have the meaning as defined here under:

1. "ACT" means the consumer protection Act, 2019 (35 of 2019)
2. "Consumer" -- Means who buys goods or services for personal (self) use and not for resale or commercial purpose and shall have the same meaning as provided under the Consumer Protection Act, 2019.
3. "Prospect" means a person to whom an offer or a proposal is made by the direct seller to join a direct selling entity.
4. "'direct seller" means a person authorized by a direct selling entity through a legally enforceable written contract to undertake direct selling business on principal to principal basis;
5. "Network of Direct selling" means a network of direct sellers at different levels of distribution who may recruit or introduce or sponsor further level of direct sellers who they then support: Explanation: "Network of Direct selling "shall mean any system of distribution or marketing adopted by a direct selling entity to undertake direct selling business and shall include the multi-level marketing method of distribution.
6. "Direct selling" means marketing, distribution and sale of Goods or providing of services as a part of network of Direct selling other than under a pyramid scheme. Provided that such sale of goods or services occurs otherwise that through a permanent retail location to the consumers, generally in their houses or at their workplace or through explanation and demonstration of such goods and services at a particular place.
7. "'Direct selling entity" means the principal entity which sells or offers to sell goods or services through direct sellers, but does not include an entity which is engaged in a Pyramid Scheme or money circulation scheme.
8. "Goods" Means goods/products defined in the Sale of Goods Act, 1930 and section 3(26) of the General Clauses Act, 1897, is that, it shall include every kind of movable property other than actionable claims and money and "services" means service as defined in the consumer Protection Act,1986.
9. "Saleable", in relation to goods or services, means unused and marketable goods or services which have not expired, and which are not seasonal, discontinued or used for special promotion.
10. "cooling-off period" means a period of time given to a participant to cancel the agreement he has entered into for participating in the direct selling business without resulting in any breach of contract or levy of penalty.

11. "Pyramid Scheme" means a multi layered network of subscribers to a scheme formed by subscribers enrolling one or more subscribers in order to receive any benefit, directly or indirectly, as a result of enrolment or action or performance of additional subscribers to the scheme, in which the subscribers enrolling further subscribers occupy a higher position and the enrolled subscribers a lower position, resulting in a multi-layered network of subscribers with successive enrolments and the scheme / financial arrangement complies with all of the following:
- a. It has no provision that a direct seller will receive remuneration or incentive for the recruitment/enrollment of new participants.
  - b. It does not require a participant to purchase goods or services.
  - c. For an amount that exceeds an amount for which such goods or services can be expected to be sold or resold to consumers.
  - d. For a quantity of goods or services that exceeds an amount that can be expected to be consumed by or sold or resold to consumers.
  - e. It does not require a participant to pay any entry /registration fee, cost of sales demonstration equipment and materials or other fees relating to participation.
  - f. It provides a participant with a written contract describing the "material terms" of participation.
  - g. It allows or provides for a participant a reasonable cooling off period to participate or cancel participation in the scheme and receive a refund of any consideration given to participate in the operations.
  - h. It allows or provides for a buy back or repurchases policy for "currently marketable" goods or services sold to the participant at the request of the participant at reasonable terms.
  - i. It establishes a grievance redressal mechanism for consumers, more particularly described in clause 7 herein.

Explanation: 1 for the purpose of this proviso the terms "material terms" shall mean buy-back or repurchase policy, cooling off period, warranty and refund policy.

12. "money circulation scheme" means the schemes defined in clause (c) of section 2 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978)
13. "Remuneration System" means the system followed by the direct selling entity to compensate the direct seller which illustrates the mode of sharing of incentives, profits and commission, including financial and non financial benefit, paid by the direct selling entity to the direct sellers, on a monthly or periodic or yearly basis or both as the case may be.
14. "mis-selling" means selling a product or service by misrepresenting in order to successfully complete a sale and includes providing consumers with misleading information about a product or service or omitting key information about a product or providing information that makes the product appear to be something it is not;
15. "sensitive personal data" means the sensitive data or information as specified from time to time under section 43A of the Information Technology Act, 2000 (21 of 2000)

**16. This system for every Direct selling entity, shall:**

- i. Have no provision that a direct seller will receive remuneration from the recruitment to participate in such direct selling.
- ii. Ensure that direct sellers shall receive remuneration derived from the sale of goods or services.
- iii. Clearly disclose the method of calculation of remuneration
- iv. State includes a Union territory.

**17. Authorized Support center /Franchisee/Super store/Sales Point/Sales Depot**

A pick up points and delivery points for maintaining effective delivery system for goods/product of the Firm and established by the Firm.

**18. Direct Selling Entity/Firm**

Means a Firm Hippo Corporation and running its main business in the name and style of (Firm).

## 19. Sales incentive

Means amount of any type of remuneration like commission, Bonus, Gifts, profits, Incentives etc. including financial and non financial benefit payable to the Direct Seller for effecting sale of goods /products as stipulated in the contract between the Direct Seller and Direct Selling entity on a monthly or periodic or yearly basis or both a the case may be. But amount of remuneration from the recruitment to participate in such direct selling shall not be the part of the sales incentive.

## 18 . Unique ID

Means unique identification number issued by the Firm to the Direct Seller as token of acceptance of his/her application for Direct Selling of the goods/ products of the Firm.

## 19 Password

Means unique code allotted to each Direct Seller to allow them to log on to the website of the Firm.

## 20 Website

Means official website of the Firm (Domain)

WHEREAS M/s Hippo Corporation a Firm incorporated under the Firm, having its Registration No. (23AMCPM4084EIZC) and Registered Office at Plot No. 114 , PU – 4 , Schm – 54 , Vijay Nagar , Indore , MP , 452010, INDIA hereinafter referred to as The Firm. "Hippo Corporation.," takes immense pleasure in introducing first ever Retail concept with maximum benefit for customers. The Firm is engaged into the business of direct selling through its Direct Seller and Retail Outlets as stated in the Object Clauses of memorandum of Association of the Company / Firm.

The Firm having sales tax/ Vat, Income Tax, TDS and other license as may be required as per the law/regulation/Guideline of its principle place of Business and sales tax/vat and other license for each retail outlets at various states in India. The Firm is also having own trademark to promote the products for sale/ direct selling business and trademark identifies the Firm with the goods to be sold or supplied.

For smooth running the business of direct selling, Firm has certain rules and regulation, marketing plan and other terms and conditions. Now in order to simplify more, to keep more transparent, to control the fraudulent practices and for betterment of the activities of direct selling through multilevel marketing, Firm is using better trading plan and marketing plan to promote the sale of the Firm's products.

The Firm exclusively uses their website and Retail Outlet to display the details about products, products information, product quality certificate, price, complete income plan, marketing methods, business monitoring, information regarding management while uses the word of mouth publicity to promote and create awareness about the website and its products.

An Individual/Firm/Firm who is able to do contract as per the provision of The Indian Contract Act, 1872 and wish to become direct seller of the Firm, can apply to be appointed as a Direct seller to marketing and selling of Firm's product in whole of India, in prescribed form through online/manual. There is NO deposit or any charges/enrollment fees/joining fees/renewal charges for becoming a Direct Seller of the Firm.

Now it's agreement witnesses and it is agreed by and between the parties here to as follow:-

#### **I. The Appointment /Authorization for Direct seller**

- (i) That for appointment / Authorization for Direct seller in the Firm, prospect shall complete the following steps
  - (a) Fill the application form online and upload scanned KYC documents
  - (b) Accept the proposed terms and condition of the agreement and create this agreement using digital signature/one time password/affix digital sign/scanned signature, whatever means of the technology.
  - (c) After creation the agreement, he/she shall request for sign of the Firm through system in technological manner.
  - (d) After the putting Signature of the authorized person of the Firm, the executed and signed agreement shall be displayed and it shall be treated as legal agreement as per the provision of The Indian Contract Act, 1872.
  - (e) On the completion of the above process, prospect shall take a printout of the signed agreement.
  - (f) Upon the execution of the agreement through the above process, prospect shall become the direct seller of the Firm and a Direct seller Unique Identification number and password shall be allotted to the applicant.
  
- (ii) That the Direct seller shall submit the following documents along with this agreement in hard copy to the Firm within 30 days since the date of execution (a) Filled application form (b) KYC Documents (self attested) (c) Signed Executed Agreement (Including of terms of appointment). A Direct seller, upon appending his/her signature at the bottom of these presents (agreement) as well as all attached documents.
  - (a) That the Firm upon scrutiny and verification of the Application, KYC and agreement may re-consider the decision of the appointment of Direct Seller for Direct Selling the goods/ products of the Firm. The Firm shall be at sole discretion and liberty to reject his/her direct selling code, if the KYC and other documents in hard copy found unsatisfactory or mollified, fake etc.

#### **(b) Cooling-off Period—**

- A. That the direct seller shall have exclusive right to reject/cancel the above agreement within 30 days since the date of the execution of the agreement through the online process. In this relation, the direct seller shall be responsible to give intimation to the Firm about such decision within specified period through Email or registered letter or speed post at Firm's mail ID/Registered address.
- B. That such direct seller shall have right to return any goods purchased by the direct seller during the cooling off period but the purchased goods should be in saleable condition i.e any seal/protection on the goods is kept unbroken. The refund of amount of cost of such returned product/credit voucher shall be paid by the Firm within 30 days since the date of receipt of the product.
- C. That if such direct seller receives any consideration from the Firm during this cooling-off period then such direct seller shall be responsible pay the amount of such consideration to the Firm with repudiate letter in the form of CASH/CHEQUE/DD/NEFT/RTGS etc.

#### **II. Scope of the Work**

That the Direct seller shall market and sell the Firm's product through directly to the end user consumer, using word of mouth publicity, display and/or demonstration of the goods/products, and/or distribution of pamphlets, door to door to customers and other related methods.

#### **III. Direct Marketing selling**

- (i) That the Direct seller shall be responsible for marketing and selling the Firm' products door to door to customers, directly to the end user consumer using word of mouth publicity, display and/or demonstration of the goods/products, and/or distribution of pamphlets and other related methods.
- (ii) That the Direct Seller can use logo and name of the Firm for selling the Firm' products as per the Firm's policy and regulation.
- (iii) That the Direct seller would not be allowed to use logo and the name of the Firm in his personal capacity or personal use.

- (iv) That the Direct Seller will get specified % /point, sales Incentive/commission pertaining to the sales for selling the Firm' products under this Agreement. Payment of sales incentives/commission will be made after receipt of payment of the products sold/marketed under this Agreement by Direct Seller. Further, in case the Firm fails to recover the dues from its customers/subscribers, then no sales Incentives/Commission shall be paid by the Firm to the Direct Seller. The sales incentives/commission would be payable only after the dues/payment are realized from its customers. If the payment is received on monthly/quarterly/half yearly basis then in the same fashion commission payment will be done automatically by the Firm after receipt of the said payment.
- (v) That the Firm hereby covenants that it shall provide to the Direct Seller with complete instruction books, catalogues, circulars for promoting sales and shall provide training initially for Direct Selling and shall also publish advertisement in the local and regional newspapers, TV etc. for promoting sales of the Firm's products.
- (vi) The Direct seller shall not be liable to pay the cost of such brochures, sales demonstration equipment and materials or any other fees relating to participation.
- (vii) That the Firm shall issue photo identity cards to Direct Seller. This photo identity card shall be returned by the direct seller to the Firm at the expiry/termination/revoke of the agreement and shall be destroyed. The identity card shall contain the name of the direct seller, Direct Seller number (which shall be Unique). It shall also have a prominent print declaring that the Direct Seller is not authorized to collect any type of cheques/demand draft in his name from the customer. All cheques/demand drafts etc., if any collected by Direct Seller should be drawn in the name of the Firm only and should be deposited with the Firm office or other offices as may be specified by the Firm, within a day. Direct Seller shall hold the said cash collection/cheque/DD in trust for and on behalf of the Firm. Upon failure to deposit the said cash collection/cheque/DD, Direct Seller shall be liable to pay damages/compensation. The receipt/Bill which is only issued by the Firm would be valid documentary evidence in the hand of the customer. It means direct seller would not be authorized to issue any receipts/Bill on behalf of the Firm.

#### **IV. Facilities for Purchases of Products**

That the Firm may open following facilities for the customer from where to purchases products—

- (A) Online Portal/ E-commerce
- (B) Stores (Retail Outlets)
- (C) Authorized Sales Point

Any person who sells or offers for sell including on e-commerce platform/marketplace, any product of the Firm, must have prior written consent from the Firm in order to undertake or solicit such sale or offer. Direct Seller is required to visit above facilities to make payment and collect valid receipt and products on behalf of the consumer/customers.

#### **V. Buy-back/Repurchases Policy**

- (i) That the Firm gives full refund or buy-back guarantee to every direct seller on the following terms --
- (a) Direct seller who has purchased the goods from the Firm to distribute or further sale is eligible to avail the benefit of buy-back policy.
- (b) If the purchased goods are not sold within 30 days from the date of the distribution and billing of the goods to the Director seller
- (c) The condition of purchased goods must be saleable i.e. any seal/protection on the goods is kept unbroken.
- (d) IF the fulfillment the above conditions, the Direct seller can be exercised his/her right of buy-back policy with in a period of 30 days, from the date of the distribution and billing of the goods to the direct seller.
- (e) The Firm is responsible to buyback/repurchases of the goods on submission of proof of original Bill and/or delivery Challan, ID, ADDRESS Proof and purchased goods in Just as it as condition i.e. any seal/protection on the goods is kept unbroken.
- (f) The Firm shall refund full amount after deducting of packaging, courier, and applicable taxes etc as per the norms issued by the Govt.

## **VI. Warranty of the Goods**

- (i) That the goods sold by the Firm shall carry guarantee/Warranty of the Manufacturer of a specified time, in this time the consumer can exchange/ replacement/repair of goods in case of defect.
- (ii) That for the above process consumer shall produce the original bill and/or delivery challan and ID, ADDRESS Proof to the Firm with the goods.

## **VII. Refund Policy of the Goods**

- (i) That the consumer shall have two opportunities as follows—
  - (a) To exchange/return the goods if he find any manufacturing defect or the goods purchased is not useful for the purpose it was meant, within 30 days from the date of purchases, provided any seal/protection on the goods is kept unbroken. OR
  - (b) To receive full refund of the price of any goods returned by consumer on the ground of any defect or inferior quality as against the information given by it regarding such goods, within 30 days of the purchases, provided any seal/protection on the goods is kept unbroken.
- (ii) That for the above process consumer shall produce the original bill and/or delivery challan and ID, ADDRESS Proof to the Firm with the goods.

## **VIII. Sales Incentives/Commission Structure or other Benefit**

That the Direct Seller shall enjoy the following privileges:

- (a) Sales Incentive related to their respective sales volume as per the Firm's marketing plan for its or tie-up goods /products.
- (b) Earnings of the Direct Seller shall be in proportion to the volume of sales done by the Direct Seller by self or through team (Sales Group) as stipulated in the marketing plan of the Firm.
- (c) Marketing/selling of Firm's Products in Whole of India. There is No territorial restriction to sale the goods/products.
- (d) With using Unique ID and Password Search and inspect his/her account on website of the Firm.
- (e) Working with other Direct Sellers as a Sales Team/Group
- (f) The Firm shall have no provision that a direct seller will receive remuneration from the recruitment to participate in such direct selling.
- (g) That as per Marketing Plan of the Firm Sales Incentives/ commission structure to be followed for the same.
- (h) That the Firm reserves the right to restrict the list of products for a particular Direct Seller.
- (i) That tariff revisions, Government directives, market forces etc., may lead to change in the Firm sales Incentives/commission policy and the Firm's decision in this regard will be final and binding
- (j) That all payments and transactions are to be expressed in Indian Rupees.
- (k) That the Firm does not guarantee/assure any facilitation fees or income to the Direct Seller on account of becoming just a mere Direct Seller of the Firm.
- (l) That Sales Incentives/commission/Bonus to the Direct Seller shall be subjected to statutory deductions as applicable like TDS etc.
- (m) That the Firm shall provide accurate and complete information to prospective and existing direct sellers concerning the reasonable amount of remuneration opportunity and related rights and obligations.
- (n) That the Firm shall Pay all dues and make with holding from direct sellers in a commercially reasonable manner.

## **IX. General terms and conditions**

- (a) That the Direct Seller shall make proper canvassing for the sale of the products in the said areas and for his purpose, the Firm and Sales Team/Group shall assist the direct Seller.
- (b) That Firm will not provide any establishment/office expenses, business running expenses etc. in relation to maintain an owned office for the direct seller.
- (c) That Direct Seller covenants with the Firm that it will exclusively engage in the sale of the Firm' products and tie-up product and shall not indulge in the sale of similar/identical products and that it shall protect and preserve the patents and trademark of the Firm's products.

- (d) That Unique Identification Number has to be quoted by the Direct Seller in all his/her transactions and correspondence with the Firm. The Unique Identification Number once chosen cannot be altered at any point of time.
- (e) That No communication will be entertained without Unique Identification Number and password. Direct Seller shall preserve the Unique Identification Number and Password properly as it is must for logging on to website.

- (f) That the Firm reserves its right to withheld/block/suspend the Direct Seller in the event the Direct Seller fails to provide any details as desired by the Firm from time to time like Pan Card details, KYC etc.
- (g) That the Direct Seller shall be faithful to the Firm and shall uphold the integrity and decorum to the Firm and shall maintain good relations with other Direct Seller and other clients also.
- (h) That the Direct seller shall be abide with policies, procedures, rules and regulations of the Firm and All privileges laws, rules and regulation and Direction and Guideline issued by the state and central Government of India from time to time. That the Firm reserves the rights to modify the terms and conditions, products, plan, business and policies with/without giving prior notice. Such notice may be published through the official website of the Firm, and any such modification/amendment shall be applicable and binding unto the Direct Seller from the date of such notice. That the Direct Seller shall comply with all state and central government and local governing body laws, regulations and codes that apply to the operation of their Hippo Corporation business. Direct Seller must not engage in any deceptive or unlawful trade practice as defined by any central, state or local law or regulation. That the Direct Seller shall not manipulate the Hippo Corporation marketing plan or product's rate, Point volume/ Sales Point/ Business volume etc., in any way and Direct Seller shall not send, transmit or otherwise communicate any messages to anybody on behalf of the Firm otherwise than for authorization for the same.
- (i) That the Direct seller shall be libel to produce/show/explain the marketing/sales/trading plan of the Firm to the customer as it as he is received. That the Direct Seller and/or any other person are strictly prohibited to use Business Promotional Material, other than Business Promotional Material developed and/or authorized to develop by the Firm. That the Direct Seller shall not use the Hippo Corporation trademark, logo type and design anywhere without written permission from the Firm. This permission can be withdrawn at any time by the Firm.
- (j) That All the arrangements, expenses, permission from local authorities, complying with rules of central and state government and local body is whole responsibility of Direct Seller for meetings and seminars conducted by Direct Seller.
- (k) That No another Direct seller code shall be issued on same Pan Card.
- (l) The Direct seller is agreed and authorized to the Firm to create his/her Sales and purchases books of accounts stating the details of the products, price, tax, and the quantity and such other details in respect of the goods sold by him/her, in such form as applicable law as mentioned in the sub-clause 5 of the clause 5- Certain obligation of Direct Sellers. In this relation the Firm shall be authorized to deduct the charges from the incentive of the direct seller for prepare of such accounts on behalf of the direct seller.

**X. Obligation of Direct Seller (1) Every direct seller shall—**

- (a) Have a prior written contract with the direct selling entity for undertaking sale of, or offer to sell, any goods or services of such entity.
- (b) at the initiation of any sale representation, truthfully and clearly identify himself, disclose the identity of the direct selling entity, the address of place of business, the nature of goods or services sold and the purpose of such solicitation to the prospect;
- (c) make an offer to the prospect providing accurate and complete information, demonstration of goods and services, prices, credit terms, terms of payment, return, exchange, refund policy, return policy, terms of guarantee and after-sale service;
- (d) provide an order form to the consumer at or prior to the time of the initial sale, which shall identify the direct selling entity and the direct seller and shall contain the name, address, registration number or enrollment number, identity proof and contact number of the direct seller, complete description of the goods or services to be supplied, the country of origin of the goods, the order date, the total amount to be paid by the consumer, the time and place for inspection of the sample and delivery of goods, consumer's rights to cancel the order or to return the product in saleable condition and avail full refund on sums paid and complete details regarding the complaint redressal mechanism of the direct selling entity;
- (e) Obtain goods and service tax registration, Permanent Account Number registration, all applicable trade registrations and licenses and comply with the requirements of applicable laws, rules and regulations for sale of a product;

- (f) Ensure that actual product delivered to the buyer matches with the description of the product given;
  - (g) Take appropriate steps to ensure the protection of all sensitive personal information provided by the consumer in accordance with the applicable laws for the time being in force and ensure adequate safeguards to prevent access to, or misuse of, data by unauthorized persons.
- (2) A direct seller shall not—
- (a) Visit a consumer's premises without identity card and prior appointment or approval;
  - (b) Provide any literature to a prospect, which has not been approved by the direct selling entity;
  - (c) Require a prospect to purchase any literature or sales demonstration equipment;
  - (d) In pursuance of a sale, make any claim that is not consistent with claims authorized by the direct selling entity.

**XI. Obligations of Direct Seller Entity/Firm towards Direct seller**

- (1) That the Firm shall provide a mandatory orientation session to all prospective direct sellers providing fair and accurate information on all aspect of the direct selling operation including but not limited to the remuneration system and expected remuneration for newly recruited direct sellers
- (2) That the Firm shall maintain proper records either manual or electronic of their business dealing with complete details of their goods services terms of contract , price, income plan, details of direct sellers ,including but not limited to enrollment, termination active status, earning etc.
  - (a) The Firm shall maintain a “register of direct sellers” wherein relevant details of each enrolled direct seller shall be updated and maintained.
  - (b) The details of direct sellers shall include and not be limited to verified proof of address, proof of identity and pan.
- (3) That the Firm shall maintain proper and updated website with all relevant details of the Firm, contact information, its management , product , product information, product quality certificate, price, complete income plan, terms of contract with direct seller and complaint redressal mechanism for direct sellers and consumers.
- (4) That the Firm shall provide to direct seller their periodic account/ information concerning, as applicable, sales, purchases, details of earning, commissions, bonus, and other relevant data, in accordance with agreement with direct sellers. All financial dues shall be paid and any withholding made in a commercially reasonable manner;
- (5) That the Firm shall monitor the value of the purchases of all its direct sellers/ Distributors on a monthly basis and once the purchase value crosses the VAT threshold, the Firm shall intimate the direct sellers/ Distributors to pay the VAT.
- (6) That the Firm shall not compel to a participant/Direct seller to purchases goods—
  - (a) For an amount that exceeds an amount for which such goods or services can be expected to be sold or resold to consumers.
  - (b) For a quantity of goods or services that exceeds an amount that can be expected to be consumed by or sold or resold to consumers.
- (7) That the Firm shall not
  - (a) Use misleading, deceptive or unfair recruiting practices, including misrepresentation of actual or potential sales or earnings, in their interaction with prospective or existing direct sellers;
  - (b) Make any factual representation to a prospective direct seller that cannot be verified or make any promise that cannot be fulfilled;
  - (c) Present any advantages of direct selling to any prospective direct seller in a false or deceptive manner;
  - (d) Make or cause, or permit to be made, any representation relating to its direct selling business including remuneration system and agreement between itself and the direct seller, or to the goods or services being sold by itself or by the direct seller which is false or misleading;
  - (e) Engage in, or cause or permit, any conduct that is misleading or likely to mislead with regard to any material particulars relating to its direct selling business, including remuneration system and agreement between itself and the direct seller, or to the goods or services being sold by itself or by the direct seller;
  - (f) Use, or cause or permit to be used, fraud, coercion, harassment, or unconscionable or unlawful means in promoting its direct selling practice, including remuneration system and agreement between itself and the direct seller, or the goods or services being sold by it or by the direct seller.
  - (g) Require its direct sellers to provide any benefit, including entry fees and renewal fees or to purchase any sales demonstration equipment or material in order to participate in its direct selling operations;
  - (h) Provide any benefit to any person for the introduction or recruitment of one or more persons as direct sellers;
  - (i) Require the direct sellers to pay any money by way of minimum monthly subscription or renewal charges;
- (8) That the Firm shall be responsible for compliance of these Guidelines by any member of its network of direct selling, whether such member is appointed directly or indirectly by the Direct Selling Entity.

## **XII. Obligations of Direct Seller Entity/Firm towards consumer**

- (I) That the Firm shall provide information to the consumer upon purchase which shall contain.
  - (a) The name of the purchaser and seller.
  - (b) The delivery date of goods or services
  - (c) Procedures for returning the goods: and
  - (d) Warranty of goods and exchange/ replacement of goods in case of defect Provided that no direct seller shall, in pursuance of a sale, make any claim that is not consistent with claims authorized by the direct seller entity.
- (II) That the Firm and Direct seller shall take appropriate steps to ensure the protection of all private information provide by a consumer.

- (III) That Direct seller and Firm shall be guided by the provision of the consumer protection Act 1986.
- (IV) That the supply/Distribution of goods with the knowledge that such goods/products are inferior or exceeded its validity period as per the manufacturer.
- (V) That the MRP should be visibly displayed on the package.
- (VI) That the Firm/Direct seller who sells goods to a consumer shall issue a cash bill to such consumer in accordance with the provision of the law for the time being force in this respect.

### **XIII. PROHIBITIONS**

- (1) That any payment of Incentive by whatever names it is called unrelated to their respective sales volume is prohibited.
- (2) That the Direct Seller or his/her relatives (relative means dependent son or daughter, father/mother, spouse) shall not engage in any activities of Multi Level Marketing of any other entity. If it is found then such Direct Seller shall be terminated.
- (3) That the Direct Seller is prohibited from listing, marketing, advertising, promoting, discussing, or selling any product, or the business opportunity on any website or online forum that offers like auction as a mode of selling.
- (4) That the Direct Seller hereby undertakes not to compel or induce or mislead any person with any false statement /promise to purchase products from the Firm or to become Direct Seller of the Firm.
- (5) That the Direct Seller and the Firm hereby undertakes not to indulge in money circulation scheme or any act barred by the Prize Chits and Money Circulation Scheme (Banning) Act, 1978.
- (6) That the Firm/Direct seller shall not promote a pyramid scheme, as defined in Clause 1(8) of the "Advisory to state Government/Union territories on consumer protection act 2019 (35 of 2019) on Direct selling" issued by the Department of consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India Dt. 28<sup>th</sup> Dec. 2021. CG – DL – E – 28122021 – 232214. In the garb of Direct Selling Business opportunities.

### **XIV. Indemnification**

- (1) That the Direct Seller agrees to protect, defend, indemnify and hold harmless Firm and its employees, officers, directors, agents or representatives from and against any and all liabilities, damages, fines, penalties and costs (including legal costs and disbursements) arising from or relating to:
  - (a) Any breach of any statute, regulation, direction, orders or standards from any governmental body, agency, or regulator applicable to the Firm; or
  - (b) Any breach of the terms and conditions in this agreement by the Direct Seller, or
  - (c) Any claim of any infringement of any intellectual property right or any other right of any third party or of law by the Direct seller; or
  - (d) Against all matters of embezzlement, misappropriation or misapplications of collection/moneys which may from time to time during the continuance of the Agreement come into his/her /its possession /control.
- (2) That this clause shall survive the termination or expiry of this Agreement.

### **XV. Relationship**

That the Direct seller understands that it is an independently owned business entity and this Agreement does not make it, its employees, associates or agents as employees, agents or legal representatives of the Firm for any purpose whatsoever. The Direct seller has not express or implied right or authority to assume or to undertake any obligation in respect of or on behalf of or in the name of the Firm or to bind the Firm in any manner. In case, the Direct Seller, its employees, associates or agents hold out as employees, agents, or legal representatives of the Firm, the Firm shall demand to pay cost of any/all loss, cost, damage including consequential loss, suffered by the direct seller on this account.

### **XVI. Liability**

That Except as provided in this Agreement, here in above, the Firm shall not be liable to the Direct seller or any other party by virtue of termination of this Agreement for any reason whatsoever for any claim for loss or profit or on account for any expenditure, investment, leases, capital investments or any other commitments made by the other party in connection with the business made in reliance upon or by virtue of this Agreement.

## **XVII. Suspension, Revocation or Termination of agreement**

1. That the Firm reserves the right to suspend the operation of this agreement, at any time, due to change in its own license conditions or upon directions from the competent government authorities. In such a situation, Firm shall not be responsible for any damage or loss caused or arisen out of aforesaid action.
2. That the Firm may, without prejudice to any other remedy available for the breach of any conditions of agreement, by a written notice of ONE month issued to the Direct seller at its residential address, terminate this agreement under any of the following circumstances:
  - (a) The Direct Seller failing to perform any obligation(s) under the agreement;
  - (b) The Direct Seller failing to rectify, within the time prescribed, any defect as may be pointed out by Firm.
  - (c) The Direct Seller being involved in any criminal proceedings/case
  - (d) others like Pursuant to the provision to the marketing plan, For reason of non-performance, Any unethical and pre judicial work to the interest of the Firm, For the breach of any terms and conditions of this agreement and marketing plan, Information given by Direct Seller found wrong/false, Is convicted of an offence punishable by a prison term, Is declared bankrupt, Is not mentally sound to handle the business, Migrate to other country, due to death/insolvency/mentally of Direct seller.[But In case of Death, on producing of probate/succession certificate by legal heirs, the Direct seller code may be transferred to the legal heirs of deceased Direct seller.
  - (e) Where a direct seller is found to have made no sales for goods for a period of up to two years since the contract was entered into, or since the date of last sale made by the direct seller.
  - (f) Where a direct seller is found to have embezzlement of Cash/Cheque/DD, which is received by the customer on behalf of the Firm.
  - (g) That the Direct Seller may terminate this agreement at any time by giving a written notice of ONE MONTH to the Firm at the registered address of the Firm.
  - (h) That It shall be the responsibility of the Direct Seller to maintain the agreed Quality of Service, even during the period when the notice for surrender/termination of agreement is pending.
  - (i) That Breach of non-fulfillment of Agreement conditions may come to the notice of the Firm through complaints or as a result of the regular monitoring. Wherever considered appropriate the Firm may conduct an inquiry either suo-moto or on complaint to determine whether there has been any breach in compliance of the terms and conditions of the agreement by the Direct Seller or not. The Direct Seller shall extend all reasonable facilities and shall endeavor to remove the hindrance of every type upon such inquiry.

## **XVIII. Actions pursuant to Termination of Agreement**

That notwithstanding any other rights and remedies provided elsewhere in the agreement, upon termination of this agreement:

- (a) The Direct seller shall not represent the Firm in any of its dealings.
- (b) The Direct seller shall not intentionally or otherwise commit any act(s) as would keep a third party to believe that the Firm is still having Direct selling agreement with direct seller.
- (c) The Direct seller shall stop using the Firm's name, trademark, logo, etc., in any audio or visual form.
- (d) The expiration or termination of the Agreement for any reason whatsoever shall not affect any obligation of Direct seller having accrued under the Agreement prior to the expiration of termination of the Agreement and such expiration
- (e) Or termination shall be without prejudice to any liabilities of direct seller to the Firm existing at the date of expiration or termination of the Agreement.

## **XIX. Governing Laws and Regulation**

- (1) That this Agreements shall be governed by the Indian Contract, 1872, The Consumer Protection (Direct Selling) Rules, 2021, "Advisory to state Government/Union territories on Direct selling" issued by the Department of consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India Dt. 28<sup>th</sup> Dec. 2021. CG – DL – E – 28122021 – 232214. In the garb of Direct Selling Business. Laws, Rules, regulation and Direction issued by the Central and State Government of India and any proceedings arising out of these Agreements shall be initiated in the appropriate Indian court and all orders and decrees would be expressed in Indian language.

- (2) That the parties hereby agree that nothing contained herein shall prejudice the right of the Firm to appoint another Direct seller in the same territory or to open retail outlets if found necessary.

**XX. Cancellation clause**

That notwithstanding anything stated or provided herein, the Firm shall have full powers and discretion to modify, alter or vary the terms and condition in any manner whatsoever they think fit and shall be communicated through official website or other mode as the Firm may deem fit and proper. If any Direct Seller does not agree to be bound by such amendment, he/she may terminate this agreement within 30 days of such publication by giving a written notice to the Firm. Without submission of the objection for modification etc., if Direct Seller continues the Direct Selling activities then it will be deemed that he/she has accepted all modifications and amendments in the terms & conditions for future.

**XXI. Dispute Settlement**

- (1) That In the event of any question, dispute or difference arising under this agreement or in connection there-with (except as to the matters, the decision to which is specifically provided under this agreement), the same shall be referred to the court of Indore , MP , India.
- (2) That the parties hereby agree that any dispute or difference between them may be referred to the arbitrator whose decision shall be final and binding upon the parties hereto.

**XXII. Force- Majeure**

That If at any time, during the continuance of this agreement, the performance in whole or in part, by the Firm, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts, fire, floods, natural calamities/Disaster or any act of God (hereinafter referred to as event), neither party shall, by reason of such event, be entitled to terminate the agreement, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided Service under the agreement shall be resumed as soon as practicable, after such event comes to an end or ceases to exist.

**XXIII. The Direct seller hereby covenants that as under –**

- (1) That he/she has clearly understood the application form, marketing methods/plan, the compensation plan, its limitations and conditions and he/she is not relying upon any representation or promises that is not set out in these terms and conditions or other official printed or published materials of the Firm.
- (2) That Relation between the Firm and the Direct Seller and all his/her activities here under shall be governed in addition to this agreement, by the rules / procedure contained in the marketing plan, available on website. The Direct Seller confirms that he/she has read out all the terms & conditions thereof and agrees to be bound by them.
- (3) Shall act as a freelance body and shall not commit any misfeasance or malfeasance to create any liability/obligation over the Firm of whatsoever nature.
- (4) That the Direct Seller is not an agent, Employee or any other Legal representative of the Firm or its service providers.
- (5) That Any payment received by the Direct Seller from any person declaring that the amount is being received for and on behalf of the Firm shall not be deemed to be received by the Firm. Direct seller is not authorized to receive any money for and on behalf of the Firm.

- (6) That Direct Seller, hereby declare that all the information furnished to the Firm are true and correct. Firm shall be at sole discretion and liberty to take any action against the Direct Seller in the event, it is discovered that the Direct Seller furnished any wrong/false information to the Firm.
- (7) That I am the concerned person hence fully conversant with the fact deposed above. And I have agreed without any pressure to be appointed as Direct Seller in Whole India on terms and condition as contained in this Agreement.
- (8) That I have read and understood the terms and conditions for appointment of Direct Seller of the Firm and I have also gone through the Firm's official website, printed materials, brochures and convinced about the business and I have applied to appoint me as a Direct Seller on my own volition.
- (9) I undertake to adhere for policies, procedures, rules and regulations formed by the Firm and I confirm having read/been explained and understood the contents of the document on policy and procedures of the appointment of Direct Seller

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed through their respective authorized representatives on the .....day of ..... 20.....

Read over by me/ to me and agreed by me on (Date)

.....

Name: Signature:

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(Signature)

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(Name of applicant)

Sign and seal of the Firm.....

Witnesses:

Name \_\_\_\_\_

Signature\_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_

Signature of applicant on each and every page is mandatory.

All Documents must be Self Attested