

## **OBLIGATIONS OF DISTRIBUTOR**

### **1. Distributor shall not:**

- a. Use misleading, deceptive and /or unfair trade practices.
  - b. Use misleading, false, deceptive and unfair recruiting practices, including misrepresentation of actual or potential sales or earnings and advantages of Product selling to any prospective Distributor in their interaction with prospective Distributors.
  - c. Make any factual representation to prospective Distributors that cannot be verified or make any promise that cannot be fulfilled.
  - d. Present any advantages of Product selling to any prospective Distributor in a false or a deceptive manner.
  - e. Knowledge make omit engage or cause or permit to be made any representation relating to the Product selling operation including remuneration system and agreement between the Product selling entity and the Distributor, or the goods or misleading.
  - f. Require or encourage Distributors recruited by the first mentioned Distributor to purchase goods and/or services in unreasonably large amounts.
  - g. Provide any literature or training to a prospective or to the existing Distributor both within and outside the parent Product selling entity.
  - h. Require prospective or existing Distributor to purchase any literature or training material or sales demonstration equipments.
2. The company shall provide monetary and non-monetary sales benefit/incentive including service tax/GST. The company shall not pay any service tax /GST to the Distributor. The Distributor shall be responsible to pay any service tax /GST (if any).
3. The Distributor shall not create any cross line in the sales Network of the company.

### **2. DISTRIBUTOR SHALL**

1. Carry their identity card and not visit the customer's premises without prior appointment/approval.
2. At the initiation of a sales representation, without request, truthfully and clearly identify them, the identity of Product selling entity, the nature of the goods or services sold and the purpose of the solicitation to the prospective consumer.
3. Offer a prospective consumer accurate and complete explanation and demonstrations of goods and services, prices, credit terms, terms of payment, return policies, terms of guarantee, after sales.
4. Provide the following information to the prospect/consumers at the time of sale:
  - a. Name, address, registration number or enrollment number, identity proof and telephone number of Distributor and details of Product selling entity.
  - b. A description of the goods or services to be supplied.
  - c. Explain to the consumer about the goods return policy of the company in the details before the transaction.
  - d. The order date, the total amount to be paid by the consumer along with the bill and receipt.
  - e. Information of his/ her rights to cancel the order and/ or to return the product in saleable condition i.e. any seal/protection on the goods is kept unbroken and avail full refund or sum paid.
  - f. Detail regarding the complaint Redressal mechanism.
5. The Distributor shall keep proper book of accounts stating the details in respect of the goods sold by him/ her, in such form as per applicable law.

### **3. OBLIGATIONS TOWARDS CONSUMER**

1. That the Company 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 warranty of goods and exchange or replacement of goods in case of defective Provided that no Distributor shall, in pursuance of a sale, make any claim that is not consistent with claims authorized by the Distributor.
2. That the company and Distributor shall take appropriate steps to ensure the protection of all private information provide by a consumer.
3. That the MRP should be visibly displayed on the package.
4. That the company/Distributor who sells goods to a consumer shall issue a cash bill to such consumer.

## **5. OBLIGATIONS TOWARDS DISTRIBUTOR**

1. That the company shall maintain proper records either manual or electronic of their business dealing with complete details of their goods or services terms of Contract, Price, Income Plan, details of Distributors, including but not limited to enrollment, termination active status, earning etc.
  - a. The company shall maintain a **“REGISTER OF DISTRIBUTORS”** wherein relevant details of each enrolled Distributor shall be updated and maintained.
  - b. The details of Distributors shall include and not be limited to verified proof of address, proof of identity and PAN.
2. That the Company shall not compel to a participant/Distributor 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.
3. That the company shall provide a mandatory orientation session to all prospective Distributors providing fair and accurate information on all aspect of the Product selling operation including but not limited to the remuneration system and expected remuneration for newly recruited Distributors.
4. That the company shall maintain proper and updated website with all relevant details of the company, contact information, its management, product, product information, price, complete income plan, and complaint Redressal mechanism for Distributors and consumers.
5. That the company shall provide to Distributor their account/ information concerning, as applicable, sales, purchases, details of earning, commissions, bonus, and other relevant data, in accordance with agreement with Distributors. All financial dues shall be paid and any withholding made in.

## **6. That the Company 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 Distributors.
  - b. Require its Distributors to provide any benefit, including entry fees and renewal fees..
  - c. Make or cause, or permit to be made, any representation relating to its Product selling business including remuneration system and agreement between Company and the Distributor.
  - d. Make any factual representation to a prospective Distributor that cannot be verified or make any promise that cannot be fulfilled.
  - e. Present any advantages of Product selling to any prospective Distributor in a false or deceptive manner.
  - f. Provide any benefit to any person for the introduction or recruitment of one or more persons as Distributors.
7. That the company shall be responsible for compliance of these Guidelines by any member of its network of Product selling, whether such member is appointed directly or indirectly by the Product selling Entity.

## **PROHIBITIONS**

1. That the Distributor hereby undertakes not to compel, induce or mislead any person with any false statement /promise to purchase products from the Company or to become Distributor of the Company.
2. That the Distributor shall not engage in any activities of Multi Level Marketing of any other entity. If it is found then such Distributor shall be terminated.
3. That the Distributor is prohibited from listing, marketing, advertising, promoting, discussing, or selling any product, or the business opportunity on any website or online forum.
4. That any payment of Incentive by whatever names it is called unrelated to their respective sales volume is prohibited.
5. That the Company/Distributor shall not promote a pyramid scheme, as defined in Clause 1(12) of the "Advisory to state Government/Union territories on Model Guideline on Product selling" issued by the Department of consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India Dt. 09th Sep. 2016 F.NO. 21/18/2014-IT (Vol-II). In the garb of Product selling Business opportunities.
6. That the Distributor and the company hereby undertakes not to indulge in money circulation scheme or any act barred by the Prize Chits and Money Circulation Scheme (Banning) Act, 1978.