

CONTRACT AGREEMENT

BETWEEN

M/s SAARVASRI HERBS PVT LTD.

&

INDEPENDENT BUSINESS OWNER (IBO)

ALONG WITH THE

CODE OF ETHICS & CODE OF CONDUCT

This contract agreement, formulated as per the provisions of The Consumer Protection (Direct Selling Rules 2021) issued by The Union Government of India on the 28th of December 2021, is executed between M/s Saarasri Herbs Pvt. Ltd., having its corporate office at 8/286, Ground Floor, Block K-10, VIP Road, Kaikhali, Kolkata 700052, West Bengal, India hereinafter called as 'SHPL'

AND

An Independent Business Owner (IBO) of SHPL, hereinafter interchangeably called as either an 'IBO' or simply a 'Distributor', whose relationship with SHPL comes into effect right from the time a duly filled online IBO application along with a KYC compliance has been approved by SHPL;

WHEREIN

M/s Saarasri Herbs Pvt. Ltd. is a duly incorporated non-government private limited business entity registered at The Registrar of Companies, Cuttack, Odisha on 20 September 2013, pursuant to sub-section (2) of section 7 of the Companies Act, 2013 and rule 8 the Companies (Incorporation) with CIN U51397OR2013PTC017390, engaged in self-manufacturing, contract manufacturing and distributing (selling) a wide range of physical consumer goods and services across multiple categories including technology-driven wellness solutions by building informed consumer network through Direct Selling,

AND

An Independent Business Owner (IBO) of SHPL is an Indian citizen aged 18 years and above with valid KYC (Know Your Customer) compliance that includes PAN (Permanent Account Number), Aadhaar Card and a Passport Size Photograph

WHEREAS

SHPL is in the business of distributing various consumer goods including health & wellness products as well as technology-driven wellness solutions through Direct Selling;

AND

An IBO is an individual or a business entity, lawfully fulfilling the eligibility criteria as mentioned above, who has expressed his / her willingness to represent and promote SHPL consumer goods and services including health & wellness products, for personal / family use, under the following terms and conditions along with the Code of Ethics and the Code of Conduct:

In order to comprehensively understand the roles and responsibilities of both SHPL as well as an IBO, this contract agreement is classified into various sections, which is as follows:

Section 01	:	Introduction
Section 02	:	Definitions
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Section 1: Introduction

This 'Contract Agreement of SHPL along with the Code of Ethics and the Code of Conduct' defines and establishes specific principles, policies and procedures to be followed by an IBO of SHPL during his / her active association, representation and maintenance of his / her distributorship with SHPL along with the rights, duties and responsibilities of each IBO.

Both SHPL as well as its IBOs have a binding contractual relationship. The terms and conditions of this relationship are set forth in various official documents such as the Preferred Customer / Independent Business Owner Online Application Form, SHPL Compensation Plan PPT and 'SHPL News' in IBO Back Office, which is updated by SHPL from time-to-time, which, collectively, hereinafter referred to as the "Official Documents". The terms and conditions of this agreement are primarily designed to preserve all the benefits that are available to IBOs under the SHPL Compensation Plan.

From time to time the content of these official documents may be amended by SHPL. However, SHPL shall, prior to making any such amendments to the official documents, other than those

necessitated due to any government order, regulation or law, chooses to appraise the 'SHPL Steering Committee (S-COM)' members and get their constructive feedback through one-one-one interaction, group discussion, video conferencing, deliberation, evaluation and collective recommendation before arriving at a specific decision. However, the final authority with respect to making any decision or amendment, however, rests solely with SHPL Management. Eventually, SHPL shall notify all such amendments to its IBOs by publishing them through official communication and specifically on its web site www.myshpl.com.

1. An IBO of SHPL shall voluntarily agree to conduct his / her SHPL business by undertaking the following code of ethics:
 - 1.1 I shall conduct myself in such a manner, at all times, as to reflect only the highest standards of discipline, professionalism, team work, integrity, truthfulness and transparency because I do recognize that my conduct as a SHPL IBO has far-reaching consequences beyond my own individual business.
 - 1.2 As a basic guideline during my business association as an IBO with SHPL, I will endeavor to always treat others, as I would have them treat me.
 - 1.3 I will respect and follow this Code of Ethics and the Code of Conduct in letter and spirit.
 - 1.4 I will accept and carry out the responsibilities of a SHPL IBO officially set-forth through SHPL News and other official publications, from time to time.
 - 1.5 I will present SHPL Products and Services along with its Compensation Plan to all prospective IBOs in a truthful and honest manner and I will make sure to present only what is approved in the official SHPL publications / business tools.
 - 1.6 I will be courteous and prompt in the handling of any and all claims for support, exchange and / or return of SHPL product and services, if any, as per the Code of Conduct.
 - 1.7 In my SHPL products and services related sales activities, and for the purposes of protecting the SHPL Compensation Plan, I will use only those official publications or business tools that are produced or authorized by SHPL.

Section 2: Definitions

2.1 In this Contact Agreement, unless the context otherwise requires, the following words and phrases shall mean what is given below:

2.1.1 "SHPL" means M/s Saarasri Herbs Pvt Ltd. - a duly incorporated non-government private limited business entity registered at The Registrar of Companies, Cuttack, Odisha on 20

September 2013, pursuant to sub-section (2) of section 7 of the Companies Act, 2013 and rule 8 of the Companies (Incorporation) with CIN U51397OR2013PTC017390, engaged in self-manufacturing, contract manufacturing and distributing (selling) a wide range of physical consumer goods and services across multiple categories including technology-driven wellness solutions by building informed consumer network through Direct Selling.

2.1.2 "SHPL Products" means all physical consumer products as well as services including the health and wellness products, services and solutions, including literature and other support or auxiliary materials, made available by SHPL to its IBOs.

2.1.3 "SHPL Business" means the aggregated rights, duties and privileges of an IBO including monetary benefits to conduct smooth business with SHPL.

2.1.4. "SHPL Compensation Plan" means the sales & marketing or the Business Plan employed by SHPL detailing the online sign-up procedure, sponsoring procedure, products purchase procedure, various type of sales incentives and bonuses offered along with the policies and procedures with regard to the presentation of SHPL products and services, SHPL business and the management of SHPL, as amended from time to time, by and of which these rules are a part of.

2.1.5 "SHPL Tools" refers to all kinds of business promotional materials in digital, virtual, recorded, printed, verbal and circulated mode and the IP (Intellectual property) of all the training and education events conducted by SHPL, which may be designed, edited, developed, produced and distributed by SHPL for the purpose of ongoing orientation, training and education of its IBOs in its sales network, as well as for the purpose of drawing Preferred Customers to become SHPL IBOs.

2.1.6 "Cross Group Selling" means that an IBO selling SHPL products and services to another IBO of SHPL other than the Lines of Sponsorship (LOS) he / she belongs to.

2.1.7 'Independent Business Owner' or an 'IBO' means an individual, who is an Indian citizen aged 18 and above with KYC compliance or a legally established business entity in India that has been introduced to SHPL, primarily as a Preferred Customer by way of purchasing SHPL products and services and upon complete satisfaction of the products and services of SHPL, he / she has been approved by SHPL as an IBO after successful submission of online IBO application along with KYC (Know Your Customer) compliance in accordance with Section 4 of this contract agreement where the term includes 'Sponsor', except when the context requires otherwise. IBOs are independent distributors, operating their own independent business who do not enjoy any employment, franchise, agency or similar relationship with SHPL.

2.1.8 "Sign Up Form" means an online application / registration form available on the home page of SHPL web site www.myshpl.com where, an aspiring Preferred Customer of SHPL shall furnish his / her basic personal details. The said Preferred Customer (PC) can further choose to apply to

become an IBO of SHPL by making a separate online application with KYC compliance, that carries this SHPL contract agreement in the digital format.

2.1.9 "Line of Sponsorship (LOS)" shall include the Sponsor of a SHPL IBO, the Sponsor's Sponsor, so on and so forth which shall end at SHPL, as a company, in an ascending manner.

2.1.10 "Market" means the territory of Republic of India and any such additional territories as may be added by SHPL from time to time as per its business expansion plans.

2.1.11 "Contract Agreement" shall mean this very official document that comprises of the Code of Ethics and the Code of Conduct for SHPL Independent Business Owners and the Policies & Procedures, which may be amended by SHPL from time to time, as provided in these Rules.

2.1.12 "Sponsor" means an active IBO who introduces to SHPL, an eligible applicant for authorization as a Preferred Customer who in turn can choose to become an IBO by virtue of SHPL's acceptance of his online IBO application. Similarly, personally sponsored distributors have a similar corresponding meaning.

2.1.13 All the terms used in this Contract Agreement are well-defined and explained to a prospective Preferred Customer as a part of the SHPL Compensation Plan and they have the same meaning as given in the SHPL Compensation Plan.

2.2. Except when the content so requires, everything that is in the singular shall include the plural and whatever refers to the masculine shall include the feminine.

2.3. SHPL Compensation Plan that offers various types of sales incentives and bonuses shall essentially be considered to be an integral part of this contract agreement as well.

Section 3: Signing up as a SHPL IBO

3.1 Online Registration (Online Sign up): An aspiring applicant, who lawfully fulfills the eligibility criteria to be a SHPL IBO as explained earlier in this contract agreement, with a firm yet voluntary willingness to become an IBO of SHPL, must first compulsorily fill up his personal details online and become a Preferred Customer of SHPL. Such a Preferred Customer may choose to buy any of the SHPL products and services as per one's own choice. Upon complete satisfaction of the quality and benefits of the purchased SHPL products or services, a Preferred Customer shall make yet another online application to be an IBO of SHPL by providing valid KYC documents and agree to this SHPL contract agreement and become an IBO to represent SHPL officially.

Distributorship can be taken up either on an individual capacity or as a legally established business entity such as sole proprietorship concern, partnership firm, limited liability company, private limited or a limited company as well as a trust or an NGO, to become a SHPL IBO.

Online IBO application form, duly filled-in, in all respects must compulsorily be accompanied by KYC documents towards identity and address proof, which includes the PAN (Permanent Account Number), Aadhaar Card and Passport size Photograph, which must be uploaded on the IBO Back Office on the web site www.myshpl.com, which shall be automatically displayed in the IBO Dash Board as well as the IBO ID Card.

3.2 Equal Opportunity: The opportunity to become an IBO of SHPL is available to all Indian citizens aged 18 and above regardless of their gender, religion, cast, creed, region, educational qualifications or political ideology. SHPL is apolitical as well as areligious business platform, upholding the ethos of sovereignty of India.

3.3 Requirements: Without limiting SHPL's fundamental rights, following are the requirements to become a SHPL IBO.

3.3.1 An IBO must be a citizen of India aged at least 18 years of age;

3.3.2 Must be able to manage the business independently with normal physical and mental health;

3.3.3 Must not have been suspended from his current profession or business by any professional association, society, or institution;

3.3.4 Must not be in jail and/or confined to any correctional institution of any kind.

3.4 Acceptance or Rejection of Application: SHPL reserves the right to accept or reject any online application from an applicant to be an IBO with its complete discretion without having to give any explanation whatsoever.

3.5 Date of Authorization: An online IBO application shall be considered accepted by SHPL only after SHPL officially accepts the personal details of an IBO in its electronic records along with the valid KYC verification and approves the same online, indicating final acceptance of an IBO. The IBO may choose to represent SHPL only after receiving such confirmation from SHPL.

3.6 Prohibited Sponsoring Practices: SHPL strictly adheres to the following sponsoring practices which it stringently monitors:

3.6.1 To become a Preferred Customer and eventually an IBO of SHPL, an aspiring applicant does not have to pay any amount of registration charges or joining fee. It is absolutely free. The only requirement which a sponsoring IBO can impose on a prospect / Preferred Customer is to request

the prospect to fill up and sign a physical application form and eventually submit the furnished data online on SHPL web site www.myshpl.com and receive a confirmation of approval from SHPL subject to KYC compliance.

3.6.2 To become an IBO of SHPL, a Prospect / Preferred Customer does not have to purchase any fixed package or a specified amount of minimum inventory of SHPL products. In other words, an IBO can buy SHPL products or services as per own one's choice irrespective of any minimum amount or quantity.

3.7 Resignation or Termination:

3.7.1 An IBO can cancel his SHPL distributorship at any time by sending a letter to SHPL in writing or via email which must be from the registered email ID of the IBO maintained with the company records.

3.7.2 Similarly, SHPL can terminate the distributorship of an IBO if they are found to be in breach of the provisions of this contract agreement. However, prior to doing so, SHPL shall give a notice to the corresponding IBO with details of the particular breach with an opportunity to respond within a reasonable time-period of 15 working days.

Eventually, as and when the contract agreement with SHPL is terminated for whatever valid reasons, the distributorship rights of an IBO, as set forth in this contract agreement, also stand terminated. This includes the right to represent SHPL and sell its products and services, right to access the IBO Back Office as well as the right to receive sales commissions or bonuses or any other income or special offers or benefit resulting from the sale and other activities of his team.

Section 4: Responsibility of a SHPL IBO

4.1 Abide by the Rules / Amendments to Rules: SHPL IBOs must strictly adhere to the guidelines, systems, procedures and policies mentioned in the SHPL contract agreement of which SHPL compensation plan is a part of, at all times, and any amendment thereto affected by SHPL, from time to time, provided the amendment or new rules of conduct are published on the website www.myshpl.com or in any other means of communication prior to their going into effect.

4.2 Cross Group Selling: In order to qualify for various monetary and non-monetary benefits available through the SHPL Compensation Plan, an IBO in a specific 'Line of Sponsorship' (LOS) must buy all of his SHPL products, services and tools directly from SHPL or from his sponsor. SHPL expressly forbids IBOs to buy products, services and tools from IBOs who are not his line of sponsorship.

4.3 Existing Multi-Brand Retail Stores: As a standard policy, SHPL does not permit IBOs to display or sell its products and services along with any kinds of promotional tools through existing multi-brand fixed retail stores. However, an IBO may generate sales leads by displaying SHPL products or services information in any approved format. Kindly do not mistake. SHPL appoints exclusive area-wise logistic partners, named SHPL Galleries, for the mere purpose of providing instant delivery of its products and efficient services and the same are not classified as multi-brand fixed retail stores.

No IBOs shall permit SHPL products and services to be promoted / retailed / sold / displayed in multi-brand fixed retail stores, schools, fairs, trade exhibitions, conferences, seminars, stalls etc. nor shall he permit any SHPL product to appear or display in such locations, despite the SHPL products or services themselves are not for actual sale, without following the stringent guidelines set for this mode of distribution or without the prior consent of SHPL management. No SHPL literature shall be displayed in fixed retail establishments without the prior permission from SHPL.

In case an IBO works in a retail store / shop as an employee or owns a retail store / shop, he must operate his SHPL business separately apart from the retail store. Such IBOs must secure retail customers and deliver products to them in the same manner as SHPL IBOs who have no connection with a store. Other types of retail establishments such as all types of traditional business offices, salons or beauty shops, which are not technically stores, may be permitted to display SHPL products or information about SHPL IBOs or SHPL services / literatures but with prior permission from SHPL.

4.3.1 Exception to SHPL IBOs Rule 4.3 (Existing Multi Brand Retail Store) is applicable to medical doctors' clinics, wellness centers, all alternative therapy centers, diagnostic centers, preventive healthcare centers; fitness clubs, spa, yoga centers, gyms, health clubs etc. Once again, kindly note, SHPL appoints exclusive area-wise logistic partners (SHPL Galleries) for the mere purpose of providing instant delivery and efficient services and the same are not classified as multi-brand fixed retail stores.

Display of SHPL Products and services are permitted in health and wellness establishment under the following conditions:

4.3.1.1 The primary focus of the business is to serve and retail the product or provide a wellness solution that is incidental and complimentary to the service provided (e.g., Doctor's clinic, Healing Centre etc.).

4.3.1.2 An IBO is the majority owner and operator of the establishment or an IBO is the Manager / Controller of the establishment and has an authorization in writing from the Majority Owner / Operator of the establishment for sale and display of SHPL Products.

4.3.1.4 Display of the SHPL products and/or Promotional tools is restricted to, inside of the service establishment / premises and should not be visible on the outer display visible to general public.

4.4 Truthful and Accurate: No IBO shall make false or exaggerated claims about the health benefits, quality, price, uses, content, grade etc. of SHPL products or services or promote products that do not belong to SHPL, as if they did. No IBO shall make any offer to sell any SHPL products or services which is not accurate and truthful with regard to price, grade, quality, performance and availability.

Kindly note, SHPL IBOs cannot:

4.4.1 Make exaggerated product benefit claims or clinically not proven health claims with regard to SHPL products or services distributed by SHPL.

4.4.2 In any manner whatsoever, represent incorrectly with regard to health benefits, price, quality, standards, ingredients, grades, contents, style, design, model, place of origin or availability of SHPL products or services distributed by SHPL.

4.4.3 State that SHPL products or services distributed by SHPL authentically back, approve or present any features as regards to its yield, accessories, uses or benefits that they do not essentially have.

4.4.4 In any way whatsoever, act or present SHPL, its products or the products SHPL distributes in a fraudulent manner or promote products that do not belong to SHPL as if they did or sell SHPL products at a price below the purchase price causing inconvenience to other IBOs.

4.5 Repackaging: No repackaging / re-labeling of SHPL products and services is permitted. IBOs cannot repackage or otherwise change or alter any of the packaging labels of SHPL products.

4.6 Written Sales Receipt: As an authorized IBOs of SHPL, an IBO shall deliver to the customer at the time of sale a written and dated order along with a GST tax invoice which shall:

- ❖ Describe the product(s) sold
- ❖ State the price charged
- ❖ Give the name, User ID, address and contact number of the selling distributor
- ❖ Include SHPL's refund policy, and
- ❖ Include SHPL's customer complaint redressal mechanism

4.7 Customer Product Refunds: IBOs shall advise SHPL of any customer complaint and provide copies of all correspondence and details of all conversations regarding the complaint.

4.7.1 IBOs are not authorized to make any type of offer or compromise or render SHPL liable for any complaint or product return.

4.7.2 Whenever a customer makes a request for a product refund service within the stipulated 30-day period, the distributor shall immediately offer the customer the choice of (a) refund of money paid as per SHPL's current product refund policy (b) exchange for a similar product or (c) full credit for exchange with another item.

4.7.3 IBOs are required to indemnify SHPL for any claim, legal actions, suit, etc. (including legal fees) which are filed or which originate because of any failure by the distributor to observe this rule.

4.8 Compliance with Applicable Laws, Regulations and Codes: SHPL is specifically committed to conduct its direct selling business strictly as per the provisions of The Consumer Protection (Direct Selling) Rules 2021 issued by the Union Government of India, in letter and spirit. Needless to say, every single IBO of SHPL is expected to adhere to all provisions of the said rule in order to uphold the sanctity of the direct selling industry.

Further, all SHPL IBOs shall comply with all the statutory laws, regulations and codes that apply to the operation of their SHPL business conducted within the jurisdiction of the market, and they must not conduct any activity that could jeopardize the reputation of an IBO and/or SHPL. Since applicable statutory laws, regulations and codes vary from state to state in India, and over time, and hence SHPL does not ensure or make representations with respect to the quantity or extent of effort or expense required to comply with such laws, regulations and/or codes.

4.9 Deceptive or Unlawful Trade Practices: A deceptive or unlawful trade practice is one, which has been defined as such, by any central, state or local law or regulation. No distributor shall engage in any deceptive or unlawful trade practices.

4.10 Unlawful Business Enterprises or Activities: An illegal or unlawful enterprise or activity is one which is prohibited by central, state or local law or authority. A SHPL IBO must not, therefore, engage in any deceptive or unlawful trade practices as defined by any central, state or local law or authority. No IBO may operate any illegal or unlawful business enterprise, engage or participate in any illegal or unlawful business activity or be convicted of any illegal or unlawful activity. If an initial application for a SHPL IBO is presented to SHPL by a person who operates or is engaging or participating in, any illegal or unlawful enterprise or activity, SHPL may hold such application in abeyance and contact the applicant to determine whether he is so engaged, and, if so, what his intentions are concerning such enterprise or activity. Refusal or failure on the part of the applicant to produce proof that he has terminated his relationship with such unlawful enterprise or activity shall disqualify him from SHPL distributorship, and his application shall be denied. If, subsequent to approval of his initial or re-authorization application, a SHPL IBO is identified by SHPL to be operating or engaging or participating in an illegal or unlawful enterprise

or activity, and if, upon notification and request by SHPL, such IBO refuses or fails to terminate his relationship with such illegal or unlawful enterprise or activity, then SHPL shall terminate such distributorship, wherein the distributor shall lose all the rights and privilege of a distributor.

4.11 Professionalism: A SHPL IBO shall at all times conduct himself in a courteous and considerate manner and shall not engage in any high-pressure / forceful selling but shall make a fair presentation of SHPL products and services including, when and where appropriate, provide demonstration of such products. An IBO shall never impose himself upon his prospective customer and shall abide by the following:

4.11.1 He shall always take a prior permission or appointment before approaching a prospective customer and shall indicate the purpose of his visit and identify himself as a SHPL IBO.

4.11.2 He shall provide his name, address and contact number along with that of SHPL to the customer at the time of sale.

4.11.3 He shall at all times carry identity card provided by SHPL along with any photo IDs issued by any Government agency.

4.11.4 He shall fix time and place for inspection of the sample and delivery of goods, if customer so desires.

4.11.5 He shall provide customer tax receipt with the description of the products to be supplied as per Rule 4.6.

If a customer indicates a desire to terminate the product demonstration or the business presentation at any point in time, the presenting SHPL IBO must gracefully oblige and do so and shall leave the premises of the customer. Further, a SHPL IBO should make a fair presentation of SHPL products and services at all times. An IBO will also direct his customer attention to the user directions, precautions and disclaimers which may be included on the label of SHPL products.

4.12 Employment Relationship: SHPL IBOs are Independent Business Owners operating their own businesses and are not employees of SHPL or any of its affiliate companies.

No IBO shall represent that he has any employment relationship with SHPL or any of its affiliate companies and / or other distributors. IBOs shall not give a false representation as to the nature of the relationship between SHPL and them or make any representation except in accordance with the explanation given in the SHPL literature. An IBO is required to indemnify SHPL for the cost of any damage or prejudice stemming from such false representation, including any legal fees, SHPL may have incurred. If they permit an employer-employee relationship to develop, sponsors may find themselves liable for the acts of and injuries or damages to their sponsored

IBOs. SHPL cannot permit any relationship between, or representations by, IBOs which may impose employee liability on SHPL.

SHPL IBOs are those who operate their own business; hence they shall not imply that they are employees of SHPL nor shall they refer to themselves in vague terms such as "managers," or "company representatives" or "trainers", nor shall they use such terminology or descriptive phrases on their stationery or other printed material. Sponsors are urged to proactively preserve the independent contractor relationship between themselves and their team IBOs.

4.12.1 Independent Contractor Status: An IBO is under an independent contract. He shall not represent himself as anything other than an IBO. An IBO has no authority to bind SHPL into any obligation. Should he be deemed an agent by a competent agency or court in any jurisdiction in which he does business, he shall release SHPL from any claim arising from such determination.

4.12.1.1 As an independent contractor, an IBO is responsible for paying all kinds of applicable taxes on retail (direct) as well as networking (indirect) income such as GST, income tax, professional tax etc., imposed by the law upon an independent contractor and he shall indemnify SHPL from any claims arising from his failure to pay such taxes.

4.12.1.2 The work hours, local or outstation travel, business expenditure, business strategies and plans of an IBO are not dictated by SHPL and an IBO shall make no printed or verbal representations that state or imply otherwise.

4.12.1.3 It is the responsibility of an IBO and he agrees to comply with all the laws and agreements in the operation of his distributorship or acquisition, receipt, holding, selling, distributing or advertising of our products or opportunity.

4.12.1.4 An IBO also agrees to be fully responsible for all of his verbal and /or written statements made regarding the products, services and the compensation plan which are not expressly contained in official materials of company. An IBO agrees to indemnify SHPL against any claims, damages or other expenses, including lawyer fees, arising from any representation or action made by an IBO that are outside the scope of this agreement. The provisions of this section survive the termination of the agreement.

4.13 Franchises and Territories: No IBO shall represent to anyone that there are exclusive SHPL business franchises or territories available under SHPL Compensation Plan. Kindly note, SHPL does appoint Super Galleries, Galleries and Mini Galleries with specific area exclusivity merely to stock pre-purchased SHPL products in the local area for faster dispensing and seamless logistic efficiency, which does not amount to franchise but merely a logistic partner. Hence, no IBO shall represent that he has the authority to grant, allocate, assign or transfer such franchises or to assign or designate territories. No IBO or sponsor may state or imply neither that he has been

given a specific territory nor that any other IBOs are operating outside his territory. SHPL IBOs have no territorial limits they can operate anywhere within India.

4.14 Non-SHPL Selling Activities: A SHPL IBO may be engaged in other traditional businesses / professional activities, but he must not use SHPL distributors / activities / events to promote his non-SHPL traditional business / profession and must not hard-sell the same to SHPL IBOs, irrespective of the Line of Sponsorship.

No SHPL IBO who personally sells any traditional products or services other than SHPL products or who personally participates in any non-SHPL product or services selling activity such as insurance, capital market investments etc. will sell such products or services to another SHPL IBO or will induce another SHPL IBO to participate in any other non SHPL selling activity and / or to sell such products, literature, sales aids, or services to any SHPL IBO. Induce means to persuade (or attempting to persuade) another IBO (either personally or through a third party) to sell any product or service whether or not this is done to obtain revenues or for any other reason.

4.14.1 SHPL IBOs may engage in selling activities related to non-SHPL approved or non-SHPL-produced products and services if they personally choose to do so, but they should not misuse, exploit or take advantage of any training or education events organized by SHPL specifically to promote SHPL Products and services. They should not use any other distributor's efforts or resources, or their knowledge of, or association with, or other SHPL IBOs to promote and expand their non-SHPL businesses. To do so constitutes an unwarranted and unreasonable interference in the business of other SHPL IBOs.

However, this does not mean, that an IBO regularly engaged in the operation of say, a petrol pump, vehicles repair garage, retail establishment, barber or beauty shop, or a professional service (law, medicine, dentistry or accounting) may not serve clients or customers who are SHPL IBOs and have sought them out but it does not mean that such IBOs may not actively solicit the patronage of other SHPL IBOs.

4.15 Enticement to Change Lines of Sponsorship: No IBO must, directly or indirectly, induce / entice other SHPL IBOs to change their Line of Sponsorship such as inducing a SHPL IBO to start a new business in their parents, spouses, siblings or any other family members' name under a different sponsor and then advising them to resign their original distributorship and build their parents / spouses, siblings, family members' SHPL business with the new position. Under no circumstances, direct or indirect, for purpose of helping another person, shall an IBO solicit, interfere or attempt to induce another IBO to leave his Line of Sponsorship or change his Line of Sponsorship.

4.16 Exporting SHPL Products: Currently, SHPL IBOs can sell SHPL products to retail customers and / or sponsor prospective SHPL IBOs only within India. No IBO may export, or knowingly sell to others who export SHPL Products from India to other countries. This is due to

important statutory and legal reasons, including business operations jurisdiction, trade names and trademark protections, local laws on product registration, packaging, labeling, ingredient content and formulation, product liability, customs and tax laws and literature content or language requirements. Currently, SHPL limits the sale of SHPL products by the distributor to only other distributor or retails customer located within India in which the distributor legitimately buys SHPL products and is authorized to do business. The term products include without limitation, all products, services, literature, sales aids, and any other items obtained by an IBO from SHPL.

4.17 Sound Business Practices: A SHPL IBO must operate his distributorship in a financially responsible, solvent and business-like manner. SHPL IBO shall not permit a non-SHPL IBO to build / promote his or her SHPL business.

On signing an online IBO application, an IBO undertakes with SHPL that there is no legal bar or limitation on his ability to meet the legal obligations of a SHPL Distributor, whether such obligations are to SHPL itself or to customers or to other IBOs. If there is an obstacle or limitation, the distributor must declare it. For example, if an underage person applies for a distributorship with incorrect date of birth, SHPL may reject the application or if it discovers the disability, may alter the distributorship.

4.18 Manipulation or combination of SHPL Compensation Plan:

4.18.1 No SHPL IBO shall manipulate the SHPL compensation plan or manipulate Business Volume (BV) in any way that may result in payment of bonus or other benefits and recognition that have not been duly earned in accordance with the terms and conditions of the compensation plan and / or the business reference guide. SHPL in its sole discretion will fairly determine what constitutes manipulation on a case-to-case basis.

4.18.2 An IBO shall not offer the opportunity through or in combination with any other compensation plan or direct selling business, other than as specifically set forth in the official sales materials or in tools of SHPL. You shall not refer to, recruit or encourage other current or prospective IBOs to execute any agreement, contract or membership other than those offered by SHPL.

4.19 Anti-Spam Policy: This policy prohibits IBOs from sending messages to persons whom they do not personally know either through email, SMS or WhatsApp or any other such social media platform or electronic messaging application.

4.20 Unsolicited e-mail messages: No IBO shall send, transmit or otherwise communicate any unsolicited e-mail messages to persons with whom the distributor does not have a pre-existing personal or business relationship. (This includes, but is not limited to, sending e-mails through newsgroups, purchased mailing lists, "safe lists", or other lists of individuals or entities with which the Distributor does not have a prior relationship).

- 4.21 **Employment Postings:** If an IBO responds to an employment posting of someone seeking a job or an employment opportunity, he must clearly state within the first paragraph of the response or the very first personal, telephonic or video conference interaction itself that they are offering an independent business opportunity. Kindly note, any communication materials used with a prospect must be approved by SHPL.
- 4.22 **Privacy and Confidentiality:** All IBOs are required to abide by its Privacy Policy with regard to IBOs, client and member information, and its confidentiality policy with regard to distributor and business information.

Section 5: Role & Responsibilities of Sponsor

5.1 A SHPL IBO as a Sponsor must;

- ❖ Provide all IBOs he sponsors, with an unaltered sign up / application form
- ❖ Abide by this Contract Agreement: Code of Ethics and Code of Conduct in its true spirit
- ❖ Train, motivate, inspire and mentor all IBOs he has sponsored
- ❖ Encourage personally sponsored IBOs to attend all SHPL training programs & events
- ❖ Advise the IBOs to follow the SHPL system
- ❖ Give timely information and advice on all offers and promotional activities

In order to preserve the status and rights as a sponsor, a sponsor must:

5.2. **Maintain Good Standing and be a Role Model:** A sponsor must be an IBO of SHPL in good standing and must strive to meet all his team members' legitimate requirements as set forth in this agreement. A SHPL IBO shall not directly or indirectly indulge himself in any wrongful activity, including but not limited to false complaints, which could have any adverse effect upon the SHPL business of another distributor. In the event a sponsor ceases to be a qualified distributor, the rights to any IBOs whom he may have sponsored shall pass up to the next qualified distributor in the Line of Sponsorship.

5.3. **Effectively Train:** A sponsor must reasonably be able to independently train, educate, motivate and inspire IBOs whom he personally sponsors with minimum of assistance from his sponsor. However, if he is unable to train his personally referred IBOs adequately, he must make appropriate arrangements with his sponsor to have this done, in which case the IBO must be willing to share part of the expenses from his sales commissions with mutual understanding.

5.4. **Independent Relationship:** A sponsor must not represent that there is an employment or agency relationship between himself and the IBOs which he sponsors.

5.5. Attend SHPL Education System: A sponsor must use his best efforts to encourage his personally sponsored IBOs to attend SHPL education system, meetings, seminars and events.

5.6. Follow the Rules: A Sponsor must use his best efforts to encourage each of his personally sponsored IBOs to fully comply with the standards set forth in the agreement and to study, use and carefully conduct their businesses in accordance with the law and official SHPL publications.

5.7. Give Genuine Advice: A sponsor must give genuine advice concerning the promotional activities, business development and all other matters carried on by his personally sponsored IBOs to assure that they conform to SHPL-approved procedures and rules.

5.8. Prohibited Registration Practices: Neither a prospective IBO, as a condition to becoming a new IBO, nor any currently authorized IBO, as a condition of receiving assistance in the development of their business from their sponsor, shall be required to purchase hardware or software for computers, subscribe to an Internet Service Provider (ISP) or establish a web site.

Section 6: Fulfillment of Line of Sponsorship

6.1. Protection of the Line of Sponsorship: As used herein, the sale of an ownership interest in a distributorship, merging distributorships or separating or dividing a distributorship, each inherently involve the assignment of the distributorship agreement or an amendment thereof, and, as such, require prior authorization by SHPL. Transfer of IBOs from one sponsor to the other is strictly prohibited.

6.2 Change of sponsor: Once signed up, an IBO cannot change his original sponsor under any circumstances as it amounts to complex challenges in the compensation plan software. However, if the sponsor has been selected wrongly, due to technical reasons or as a genuine human error, an IBO may be allowed to change the sponsor but within 7 working days by sending a Sponsor Change Request to SHPL Support team at support@myshpl.com. The desired sponsor change will be carried out provided the distributorship in question has not purchased any SHPL products and the payout has not been calculated. However, SHPL reserves the right to accept or reject any such requests made to change sponsor without having to give any explanation whatsoever.

6.3 Single Distributorship Rule: There can be only one distributorship per one PAN (Permanent Account Number). Providing fake / bogus PAN amounts to violating of the Code of Ethics and the Code of Conduct which attracts nothing but termination of distributorship without any notice.

6.4 Divorce, separation or other dissolution: Whenever a business is separated or divided as the result of a divorce, dissolution of a corporation or partnership, the separation or division must be accomplished in such a way as to not adversely affect the interests and/or income of the

businesses in the Line of Sponsorship. During the division or separation process, neither party will administer or operate, together or separately, any other SHPL IBO without SHPL's approval.

6.5 Disposition of a distributorship: If an IBO terminates / cancels his distributorship (ID) or dies without leaving heirs who are ready, willing, and able to become IBOs and assume the responsibility of SHPL Business, SHPL, at its sole discretion, shall decide the future of the Distributorship in accordance with the other relevant sections of this agreement.

Section 7: About SHPL Products & Services

7.1 SHPL Corporate Positioning: SHPL has thoughtfully positioned itself as a vibrant community of informed customers who optionally and voluntarily choose to become a part of its sales force without any obligation whatsoever, by way of submitting an online application to be an IBO with required KYC compliance and engage himself in distributing SHPL products as well as health & wellness solutions to people in their circle of influence. SHPL shall, from time to time, revisit its corporate positioning based on the products and services range that it engages itself with as the consumer behavior is growing at an unprecedented speed, which will be communicated from time to time on SHPL News and other official communication platforms and training events.

7.2 Currently, SHPL offers a wide range of consumer products and services under various categories that include Health & Wellness, Personal Care, Baby Care, Home Care, Kitchen Care, Agro Care, Animal Care, Genetics, Alkaline Water and Lifestyle products. All the brand names of these products and services belong to SHPL and no IBO or any other entity belonging to SHPL in any manner whatsoever can dilute this identity.

7.3 SHPL offers a wide range of tangible health & wellness products that may help individuals to complete their nutritional deficiencies, give specific health benefits and experience over-all wellbeing. However, all these Health & Wellness products are either food supplements or herbal / Ayurveda formulations and not prescriptive medicines. No IBO must misrepresent them as prescriptive medicines and make any curative health claims.

7.4 'SHPL Genomax' is an advanced scientific and research-based genetic investigative tool that helps unlock the genetic code of an individual to assess the lifetime predisposition / risks of various health conditions along with corrective recommendations of a gene-based nutritional intake and necessary remedial lifestyle interventions. Misrepresentation of 'SHPL Genomax' in any manner that it cures chronic and life-threatening diseases is a clear violation of this contract agreement. IBOs must adhere to only the official line of communication without any unwarranted distortion or deviation.

7.4 'SHPL Genomax' includes a saliva sample collection kit, home delivery of the saliva sample collection kit, a personalized genetic report currently with 200 phenotypes in PDF (soft copy), telephonic / video conferencing of a genetic counseling from our in-house genetic counselors and a gene-based action plan that includes personalized diet plan along with targeted lifestyle modifications, wellness helpdesk assistance for one year from the date of online purchase and electronic gene banking for 6 years. SHPL IBOs are requested to communicate the inclusions of SHPL Genomax, report in PDF (soft copy) and no physical shipping of the printed report etc. Printed reports of both SHPL Genomax and the Action Plan attract additional actual printing cost.

Section 8: About SHPL Compensation Plan

8.1. No deception as Employment Relationship: When inviting a prospect to attend a SHPL Business Opportunity Program (BOP) or Introduction to Saarvasri Opportunity (ISO) or any of the other events organized by the company, a SHPL IBO shall neither utilize the following invitations nor directly or indirectly induce other IBOs to do so:

8.1.1 Give an impression that it relates to an employment opportunity

8.1.2 Imply that the invitation is to a social event or a get-together

8.1.3 Disguise the invitation as a market survey, free diagnostic camp, celebration etc.

8.1.4 Promote the event as a financial literacy or tax saving seminar

8.1.5 Promote SHPL BOP as a business relationship with a person, company or organization other than SHPL

8.1.6 Directly or indirectly indicate that the SHPL Business, IBOs or SHPL Products & services are part of some other business other than SHPL's business

8.1.7 Deny, if asked, that the presentation is about the SHPL BOP

8.1.8 Imply that it is other than a business event

8.2: First Contact with Prospective Customers and Distributors: At the first contact with prospective customers and distributors, a SHPL IBO should,

8.2.1 Introduce self by one's real name

8.2.2 As soon as practicable, he should make himself known in a suitable manner as a SHPL IBO and should provide information concerning his address as well as concerning SHPL

8.2.3 Indicate the purpose of contact, namely the sale of SHPL products and/or the introduction of the prospect to the SHPL business.

8.3: **Sponsoring Guidelines:** SHPL Compensation Plan must not be presented

- ❖ As a get-rich-quick scheme
- ❖ That SHPL Products are bought and sold for IBOs personal use alone
- ❖ That there is no requirement to retail SHPL Products

In seeking participation of a prospect in the SHPL business, the sponsoring distributor must comply with the following guidelines:

8.3.1 Must disclose the average weekly and monthly earnings and sales figures and percentages as may be officially communicated from time to time by SHPL

8.3.2 Must use only SHPL-produced and SHPL-authorized official sales literature

8.3.3 May use those earnings and/or commission representations based on their own personal experiences, provided that they at the same time disclose the average profits, earnings, and sales figures and percentages as may be communicated from time to time by SHPL.

8.3.4 May cite lifestyle examples e.g., company training programs, gifts, events, local / foreign tours, car achievements, homes of successful distributors and contributions to charitable causes, provided such benefits were actually accrued as the result of building a successful SHPL Independent Business.

8.3.5 Must not say that a successful distributorship can be built in the form of front-loading in which the only products bought and sold are those transferred to distributors at distributor price for their personal use.

8.3.6 Must not say that there is no requirement for the retail sale or marketing of products

8.3.7 Must not promote the enjoyment of tax benefits, if any, as the best or principal reason for becoming a SHPL IBO

8.3.8 Must not communicate that SHPL is a get-rich-quick opportunity in which it is easy to achieve success with little or no expenditure of effort or time

8.3.9 Must not present the SHPL compensation plan or solicit participation in the distributor plan through any broadcast communication methods including WhatsApp, mass mailing, tele-marketing, national advertising, radio, television and computer communication networks including

the Internet or any other means by which personal contact with the prospect is not present. However, IBOs may use digital media or maintain a website for use with prospects, provided the contents of such media or website meets the requirements set within this contract agreement and otherwise complies with the code of conduct.

8.4 No Exclusive Territories: No SHPL IBO shall represent that there are exclusive territories available under in SHPL business.

8.5 No Obligation to Purchase Fixed Products: IBOs shall not represent that there is an obligation to purchase a fixed product package or fixed number of products and/or services amounting to fixed amount as per the SHPL business plan, nor shall he/she represent, purposely allow or gain from any representation or implication that benefits may be derived solely from such recruitments and purchase of SHPL products or services in conformity with the SHPL compensation Plan.

8.6.1 Bonus Qualifications: An IBO is entitled to receive various sales bonuses from SHPL pursuant to the currently published SHPL Compensation plan if he is in good standing and in compliance with the terms of the agreement.

8.6.2 No Earning Guarantee: A SHPL IBO is neither guaranteed a specific amount of fixed income per week or month nor assured of any level of profit or success. Both profit and success can come only through the direct retail sales and indirect group sales as per the provisions of the SHPL Compensation plan. Following the proven system i.e., personally using SHPL products and services, consistently retailing them to retail customers to earn retail profit and building an active sales network to generate indirect group sales and following the system is paramount in determining the profit and success in SHPL business.

8.7 Weekly and monthly Commissions: SHPL employs both weekly as well as monthly pay cycle that auto-closes on every 7th, 14th, 21st and last day of a calendar month and the corresponding pay-cycle bonuses that include rank achievement incentives as per the SHPL Compensation Plan are paid to respective IBOs electronically within 5 working days from the closing date electronically subject to strict KYC compliance. Prevailing TDS amount will be deducted on the total amount earned while another 5% is converted into E-Wallet. For business entities, SHPL shall pay the sales commission to their respective current bank account listed on the web site. Without prejudice to the right of termination, SHPL may suspend or revoke payment if the distributor is in breach of any term or condition of the contract agreement. Distributor is liable for the payment of prevalent GST beyond the yearly stipulated amount as well as income tax.

8.8 Bonus Buying Prohibited: Bonus buying is strictly and absolutely prohibited. Bonus buying includes:

8.8.1 Enrollment of individuals or entities without the knowledge of and /or execution of an IBO application by such individuals or entities.

8.8.2 Fraudulent enrollment of an individual or entity as an IBO or Preferred Customer.

8.8.3 Enrollment or attempted enrollment of non-existent individuals or entities as IBOs or Preferred Customers.

8.8.4 Purchasing Products on behalf of another distributor or preferred customer, unless authorized herein, or through another IBOs or Customer's User ID, to qualify for Bonuses.

8.8.5 Purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month.

8.8.6 Any other mechanism or artifice to qualify for rank advancement, incentives, prizes, or bonus that is not driven by bona-fide product purchases by end-user consumers.

8.8.7 **Buying Rank Prohibited:** Purchasing SHPL products solely for the purpose of earning weekly and monthly Bonus or achieving a SHPL rank is prohibited. SHPL retains the right to limit the amount of purchases an IBO can make if there is specific reason to believe that those purchases are being made solely for rank achievement / advancement and other qualification purposes instead of for resale or business building. SHPL may revoke a rank advancement if it was earned in violation of this policy.

8.8.8. **Adjustments to Weekly / Monthly Bonus:** When a SHPL product is returned for a refund, the bonus attributable to the returned product(s) will be deducted from the commission period in which the refund is given, and continuing every pay period thereafter until the bonus is recovered from the IBOs who received bonus on the sales of the refunded products.

8.8.9 **Errors or Questions:** If there are any errors in calculating weekly or monthly bonuses, qualification criteria for rank achievement and special offers, it should be notified in writing within 7 days of the date of the purported error or incident in question. SHPL will not be responsible for any errors, omissions or problems not reported to the company after 7 days.

Section 9: Terms & Conditions for Sales of SHPL Products & Services

Supply of products and services by SHPL under the GST invoice shall be subject to the terms and conditions of sale herein contained:

9.1 The quantity, quality, date of manufacturing etc. as contained on the packing of the products and services shall be presumed to be correct.

9.2 SHPL's legal title of the products shall cease as soon as the products are handed over to the buyer personally /or to the shipping carriers, as the case may be.

9.3 Buyer is requested to verify quality and quantity of the products before accepting the delivery. No claim regarding quality/quantity of the goods will be entertained once goods are handed over to the buyer/carriers, as the case may be, unless promptly notified in the delivery challan within a maximum of 48 hours.

9.4 The price is inclusive of applicable GST as on the date of sale. Any levy / increase in taxes / freight, in respect of goods sold, before / after delivery to the buyer shall be reimbursed by the buyer to SHPL.

9.5 Refund of GST / any statutory levies already collected will be allowed only on rejected goods received as per SHPL's return policy as laid down in this contract agreement which is updated from time to time.

9.6 In case of failure to take delivery of goods, buyer shall be solely liable for all storage, demurrage costs and other expenses. SHPL shall be entitled to treat such failures as a breach of contract in addition and without prejudice to SHPL's other rights and remedies.

9.7 SHPL is not liable for delays or non-delivery of goods by the carrier due to Force Majeure conditions in course of transit / delivery or any loss arising there from.

9.8 Each order of products delivered under an invoice shall deem to be sold under a separate contract.

9.9 All bank charges (including collection charges), shall be payable by the buyer. SHPL shall not be liable for any loss / theft of bank drafts / cheques etc. in transit.

9.10 Any notice to be served on the buyer by SHPL shall be deemed to be validly served if sent by ordinary prepaid post to the buyer's address as mentioned on the invoice.

9.11 All sale contracts and transactions of Saarvasri Herbs Pvt. Ltd. are subject to exclusive jurisdiction of the Courts at Kolkata, West Bengal.

9.12 Ordering SHPL IBOs who place orders for other SHPL IBOs are responsible for the orders placed by them. Ordering SHPL IBOs need to be prudent so as to safeguard their business interests.

9.13 Team Leaders and Senior Rank Achievers should encourage the team members to place their online orders independently. You shall not facilitate any purchase using a credit card or any other payment method other than your own, unless you have an official authorization, prior to transaction from the original holder of credit card or other payment methods. SHPL is not liable for any misuse of credit card or any other instrument by any distributor.

9.14: **SHPL IBO Product Refund Policy:** The effective, result-oriented and superior quality of SHPL products has already earned us the trust of our esteemed IBOs and their retail customers. This trust is a precious and unique relationship. Everyone must share in the SHPL commitment to excellence. Everyone has a responsibility to ensure the superior value and high quality of SHPL products and services, quality and value that we guarantee. Yet, SHPL employs a 30-day refund policy as a testimony of our commitment of delivering value for money products to our patrons.

9.14.1 **SHPL's Customer Product Refund Policy:** We fully stand behind the quality of SHPL products and services. All SHPL products are covered by SHPL's Customer Product Refund Policy. If the customer is not completely satisfied, he is entitled to return the products within 30 days from the date of invoice for a full refund. The refund policy is applicable only for products in a marketable condition accompanied with a tax invoice. This policy does not apply to products that have been intentionally damaged or misused. It is incumbent upon SHPL IBO to follow the Customer Product Refund Policy in letter and spirit.

9.14.2 **SHPL Return Policy for SHPL Independent Distributors:** SHPL Independent Distributors may return the products within 30 days of purchase as per the following terms:

9.14.2.1 The SHPL IBO must return the product(s) to the exact place from where the products purchased – Company warehouse in case of the order was placed directly with the company online or the respective SHPL gallery, if the product was picked up locally.

9.14.2.2 Period of return for products is calculated as the number of days from the invoice date, to the date of receipt at the SHPL warehouse or gallery.

9.14.2.3 Condition refers to the condition in which the stock is received back from the SHPL IBO as a return.

9.14.2.4 The product can be 'marketable' or 'unmarketable' depending on the condition of the returned stocks assessed by the Returns Executives at the SHPL office.

9.14.2.5 Total BV (Business Volume) of the returned products will be deducted from the returning SHPL Independent Distributor's account as well as the entire Line of Sponsorship.

9.14.2.6 The Product Return Policy does not apply to partially used products, open packs, promotional tools and videos or other sales aids.

9.14.2.7 Total returns quantity cannot exceed the quantity appearing on the invoice.

9.14.2.8 In the event, the products are returned by a Retail Customers directly to SHPL, corresponding BV will be adjusted from the retailing SHPL IBO's account and any excess amount paid shall be recoverable from SHPL IBO.

Section 10: Tax Compliance: The GST & TDS

10.1 Under the GST regime, SHPL pays corresponding applicable percentage of GST on every product or service it sells based on its HSN code or SAC code and issues an instant online GST invoice which is readily available in the IBO Back Office anytime. Individuals and business entities may make use of this invoice to apply for Input Tax Credit, subject to them having a GST number.

10.2 SHPL sells its products and services to its Preferred Customers as well as IBOs at both MRP (Maximum Retail Price) as well as Discounted Price (or also called the Distributor Price), which is significantly lower than the MRP. Whenever an IBO sells any of the SHPL products or services to an end customer for further consideration the liability to pay the applicable GST lies with the IBO, as per the prevailing GST guidelines. An IBO shall issue an invoice for all his retail sales with or without GST number as per the prevailing GST guidelines.

10.3 GST Number: IBOs who have business entity or have had prior business experience or who have attained a high level of retail sales must apply for GST (Goods and Services Tax) Number for which they must approach the necessary tax authorities of the Government. Any violation in not complying with the law and non-payment of GST which may affect the reputation of SHPL will lead to termination of the distributorship.

10.4 SHPL conducts its business with utmost financial discipline as per the guidelines of the Central and State Government with regard to payment methods and hence completely restrains itself from dealing in cash. Instead, it offers multiple payment options including electronic transfers to company bank accounts, online payment gateway, POS swipe machines and e-wallet (digital currency of SHPL) and pays all its sales commissions and bonuses through NEFT.

10.5 SHPL deducts prevailing TDS (Tax Deducted at Source) on each and every sales commission and bonuses paid and makes timely tax payments to the tax department well before the deadlines of paying taxes every single month. SHPL issues a TDS certificate to all the eligible IBOs in their IBO Back Office on a quarterly basis or at the end of each financial year.

10.6 If the sum of all the weekly commissions, bonuses and other incentives earned in a financial year exceeds the threshold limit for a financial year as stipulated by the central, state or local tax authorities, the IBO in question must mandatorily apply for GST number and applicable GST must

be paid without fail. Evading taxes will be considered violation of the contract agreement strict necessary action will be taken as per the situation.

Section 11: SHPL EDUCATION

Out of its deep commitment to educate its consumer network about every SHPL product including health & wellness industry and the dire necessity to understand the role of nutrition in these testing modern times along with the need to develop the much-needed entrepreneur skills, SHPL has created SHPL Education – it's education and training department.

11.1 SHPL Education is the 'Training & Support System' department of SHPL that is engaged in providing comprehensive orientation to all its IBOs on various topics that include corporate profile, product education, business skills, soft skills and a wide range of motivational and inspirational training programs.

11.2 Currently, SHPL Education offers the following educational and training events to all its existing SHPL IBOs, their retail customers as well as prospective IBOs:

- ❖ ISO (Introduction to Saarvasri Opportunity)
- ❖ BOP (Business Opportunity Program)
- ❖ NDO (New Distributor Orientation)
- ❖ Leader's Meet
- ❖ Full Day Winners' Workshop
- ❖ 1N/2D RTP (Residential Training Program)
- ❖ 2N/3D LDP (Leadership Development Program)
- ❖ 4N/5D Go Universal International Holidays

11.3 Each of the above programs has a specific format in terms of its purpose, venue, content, duration, frequency and target audience as well as qualification criteria. The complete details of these events will be announced on the web site as well as through official communication through WhatsApp, well in advance, so as to enable IBOs to participate in these events proactively.

11.4 Though direct selling business is like any other traditional business, due to its distinct characteristics, it has been categorized as unique, scientific and modern revolutionary business model and hence it needs to be mastered and operated in an extremely professional manner to achieve the desired financial success. Hence, SHPL authoritatively insists that every IBO must make use of its powerful and proven training and support system and rigorously participate in all the events to first personally learn and then successfully promote our products and services with adequate knowledge on all aspects of the company including its vision, mission, corporate

philosophy, salient features of its products and services, their unique health benefits and SHPL compensation plan etc. and become familiar with the necessary skills.

11.5 Apart from the above, SHPL Education, in future, shall also offer professional academic courses in allied subjects including Food & Nutrition, Dietetics and Wellness, Nutrigenomics etc.

Section 12: Use of SHPL Logo, Trademarks and Copyright Material

The SHPL trade name, trademarks, product brand names and service marks are its important and valuable business assets. They help identify the source and reputation of SHPL products and services and SHPL business and distinguish them from those of competitors.

Trademarks must be protected from misuse and infringement by others or they can be lost. Each time a SHPL trademark or symbol is used improperly or is used by someone other than its owner, the perceived value and importance of the trademark can be greatly diminished. Once a trademark is weakened or lost, it is impossible to regain its full value and importance. Therefore, SHPL makes every effort to protect its trademark SHPL, its corporate logo type, label designs and various product names so that others cannot use or misuse them.

SHPL does not allow use of its trade name, trademarks, brand names, designs or symbols by any person, including a SHPL IBO without its prior permission. SHPL will issue cease-and-desist orders to any persons using its trade name, trademarks, brand names, designs and symbols without its permission and will, if necessary, follow with appropriate legal action for failure to comply with a cease-and-desist order. If SHPL did not do this, IBOs would soon find the market flooded with SHPL products not offered by SHPL or by SHPL IBOs. Obviously, SHPL IBOs would be greatly harmed by such competition.

The rules set forth below have been developed to maintain the integrity of SHPL trade name and trademark and to ensure that the name SHPL will be available exclusively for SHPL business. In addition, SHPL has implemented a corporate identity program that requires the correct and consistent use of the SHPL corporate logotype, no matter where it appears. Therefore, no alterations to the approved logotype are allowed. Upon request, SHPL will provide an example of the approved logotype and color specifications.

12.1 Office Sign: If SHPL IBO desires to operate and maintain an office in which the SHPL name is displayed to the public on the exterior of the office or in the interior in such a way that it can be seen from the outside, the IBO must first obtain prior written approval from SHPL for such use of the SHPL name, including a description of the proposed signs, their size, location of installation and method of installation.

12.1.1 SHPL reserves the right at all times to withdraw permission to display the SHPL name if the standards stated are not met, if proper standards of neatness, good taste or ethical operation are not met or for any reason prejudicial to the interests of SHPL Independent Business Owners or SHPL, of which SHPL shall be the sole judge.

12.2 Fund-Raising Events / Financial Schemes: SHPL products and services are not authorized to be used in conjunction with any type of fund-raising activity or financial schemes. Fund-raising or a financial scheme includes the solicitation for the purchase of SHPL products or services based on the representation that all or a portion of proceeds or profits generated by such sale will benefit a particular group, organization or cause.

12.3 Promotional Literature, Stationery, Premiums, etc.: No IBO may produce or procure promotional literature or stationery from any source other than SHPL or give away stationery or promotional literature of any kind upon which the SHPL name or logotype or any of its trade names or trademarks is imprinted without securing prior, written approval from SHPL.

12.3.1 No IBO may print for his use any stationery which bears the SHPL logotype or any of the SHPL trade names or trademarks without the prior, written consent of SHPL. The precise copy to be used must be forwarded to SHPL and get it approved before the printing is actually done. When approval is given by SHPL, there shall be not be any deviation from the approved copy.

12.3.2 No SHPL corporate logotypes shall be affixed to any sports uniforms, shirts or other garments. No distributor shall, without SHPL's prior approval, produce any item bearing the SHPL name/logo type from any source other than SHPL.

12.4 Copyrighted Materials: All SHPL printed material is copyrighted and may not be reproduced in whole or in part by IBOs or other persons except by prior written permission from SHPL.

12.4.1 SHPL makes a claim to copyright for all its printed material in the market. This is done to prevent others, particularly competitors, from copying and duplicating SHPL product and sales literature which has been developed and printed at great expense and to assure SHPL IBOs that the promotional materials which they purchase and distribute to their customers is official, unique, attractive, and truthful.

As in the case of trademarks and trade names, if SHPL did not exercise every effort to protect its copyrighted materials, IBOs might soon find the market flooded with SHPL literature which was not produced by SHPL and did not relate to products made and sold by SHPL. Accordingly, no person, whether a SHPL IBO or otherwise, may reproduce any of SHPL's printed material, in whole or in part, without specific written permission from SHPL.

12.4.2 All SHPL printed material relating to products has been carefully prepared to conform to all local, state, and central laws and regulations governing the labeling of products. (The word "labeling" covers not only the label on the product itself, but also any literature used to promote the sale of such product.). Even a slight deviation from the language on the label or promotional material may constitute a violation of one or more of the laws or regulations covering the product and its labeling and thus subject the person making such deviations to penalties imposed by law. Unfortunately, such governmental action not only can adversely affect the particular offender, but also his or her fellow IBOs as well as SHPL itself.

12.5 Penalties for Violators of Section 12: Any IBO who violates Section 12 can:

12.5.1 Be required to remove improper signs, destroy improper literature and cancel improper advertising

12.5.2 Be denied the right to make any future use of the SHPL trademark or trade name

12.5.3 Be liable for money damages to SHPL for unauthorized use of the SHPL name, trademark, or logotype

12.5.4 Have his Distributorship terminated by SHPL.

Section 13: Rules and Regulations for Social Media Usage

13.1 **Website Rules and Guidelines:** With just a click of the button, people have realized the unlimited potential to conduct a business and communicate through the Internet. In general, there are three types of Websites you, as a SHPL Independent Business Owner, can create:

- ❖ **Personal Home Page:** You may share your personal success story or information about your business, hobbies, or interests with friends and personal group. You may decide to include your name, city and state, achievement level, a personal statement regarding the business, a photograph or an audio / video greeting.
- ❖ **Prospecting Website:** You may develop a website that is designed to interest potential IBOs in the SHPL business opportunity. Here you could include information regarding the benefits of participation in the business, your personal story regarding the business, general how-to's or e-mail addresses to facilitate communication.

- ❖ **Internet Websites:** Web sites used with prospects or sites that contain a presentation, explanation or illustration of the sales plan or product information to be reviewed by SHPL prior to use.

13.2 Social Media Policy: Social media is an umbrella term that describes various website platforms and online applications that people use to connect and interact with other people and share content, profiles, experiences, opinions and media. These tools include blogs, message boards, podcasts, video and photo sharing sites, micro blogs, online communities and Wikipedia.

This policy does not change the current rules or principles but is intended to help SHPL IBOs to apply them to social media interactions. SHPL IBOs who desire to use social media for their SHPL business should review our code of conduct and adhere to the same.

* Distributor conduct and activities while using the social media for their SHPL business is governed by the Code of Conduct, which are subject to change from time to time. Violation of the rules and/or this policy may invite action against your SHPL distributorship.

Appropriate Social Media Conduct:

- ❖ Create an individual social media profile. Enhance the profile by adding personal information and posting pictures. Connect with family, friends and acquaintances. Remember to maintain privacy settings to friends or friend of friends.
- ❖ Use social media to communicate with those IBOs and team leaders as appropriate. Maintain appropriate privacy settings.
- ❖ Be transparent, authentic and honest always. Be truthful and accurate at all times. Self-disclose your affiliation with SHPL if you intend to discuss the business on your page.
- ❖ Share positive experiences about SHPL products and the SHPL business.
- ❖ Treat people with respect and courtesy as you would have them treat you.
- ❖ Offer participation, support and feedback, the conversation should take place much like it would be in person. When approaching others or entering the conversation, interact positively, be relevant and credible.
- ❖ Connect with SHPL online by subscribing to its official pages in YouTube, Facebook, Instagram or LinkedIn; join official sites and share posts, videos and photos, posted by SHPL with your teams, customers and prospects.
- ❖ Use common sense. Remember what you say reflects upon your and SHPL's reputation.
- ❖ Refer questions or other users with questions to SHPL.
- ❖ Do abide by the Code of Conduct for SHPL distributors. Only some of the applicable rules are identified here. If in doubt, don't do it. Check with SHPL Management.

Prohibited Conduct

- ❖ Do not create pages, websites, accounts or other online avenues to sell products.

- ❖ Do not prospect or 'cold' contact in regards to sponsorship. The same rules that apply to online prospecting apply to your efforts in establishing customers online. If someone contacts you online and expresses a desire to buy product or learn more about the business, contact them privately through chats, messages or email.
- ❖ Do not offer discounts or special promotions not offered by SHPL.
- ❖ Do not spam or broadcast using social media.
- ❖ Do not create fake SHPL or product brand identities. When it comes to naming your page, you are not allowed to use SHPL trademarks or trade names. We suggest you use your full name. People who search for you online are more likely to remember and use your name than some clever name for your site.
- ❖ Do not use SHPL logos, SHPL product logos, brand images, photos and copyrighted text including product literature without prior permission from SHPL. Do not misrepresent SHPL in any way.
- ❖ Do not make claims about SHPL products that are false, misleading or incorrect.
- ❖ Do not upload photographs / videos / content related to SHPL business, events or products that are not authorized by SHPL, false, misleading or incorrect.
- ❖ If in doubt, ask. The SHPL code of conduct compliance team is always available to provide advice and guidance.

Section 14: Suspension and Termination of IBO

Violation of the SHPL Code of Ethics and Code of Conduct is an extremely serious matter, not only because of the adverse effect it may have on the business of an individual distributor but also it may seriously dent the image of SHPL business in the eyes of public, the media, the various regulating authorities and the government officials.

Accordingly, while SHPL will make every effort to correct any violation through guidance and counseling, further action may be required in more serious cases including, but not limited to, the following, which may be applied by SHPL in any order or in any combination:

- a. Suspension period for the offending IBOs
- b. De-sponsoring the offending IBOs of his business group
- c. Termination of the offending IBOs. In instances of violation of the SHPL Code of Conduct any IBO may make a complaint to SHPL in accordance with the complaint procedure set out in Section 14.1 below. Decisions taken by SHPL in its enforcement of the SHPL Code of Conduct may be appealed for further review at SHPL head office in accordance with the Review Panel Procedure set out in this document.

14.1 Complaint Procedure: When an IBO has discovered that there may have been a violation of the Code of Conduct, he must notify SHPL Management and his sponsor of the violation with all facts and documentary or other evidence connected with it.

14.1.1 Notification to Alleged Violator: On receiving this notice, SHPL will notify the IBOs in question of the complaint and request an immediate response.

14.1.2 Insufficient Information: If the complaint and response do not contain sufficient facts upon which to make a decision, additional information may be requested from any party by SHPL.

14.1.3 Complaint Resolution: After SHPL receives all information of facts and circumstances relevant to the complaint, it will then decide if there has been a violation of the Code of Conduct and verbally discuss the matter with the IBOs involved to explain the rationale behind the rule and to obtain adequate assurance from the IBOs that it will not re-occur. However, if SHPL is unable to settle the matter verbally and if the appropriate corrective action is deemed by SHPL to be other than termination or de-sponsorship, then SHPL will forward a decision letter to the violating IBO as well as the sponsor and the Founder Leader in the Line of Sponsorship of the violating IBO. The decision letter will list the specific complaint(s), outline the corrective action to be taken and, if appropriate, setting a time limit for compliance.

14.1.5 Failure to Comply: SHPL will allow the IBO in question to implement the appropriate corrective action within the time limit specified in the decision letter. However, if compliance has not occurred on expiration of the time limit, SHPL will take further enforcement action directly. Notice of such action shall be given by letter addressed to the violating IBO, with a copy sent to the violator's sponsor and to the complaining IBO. Such letter shall be sent via registered letter through Indian post or handed over personally with an acknowledgement.

SHPL can terminate/de-sponsor the distributorship of an IBO if he/she;

- ❖ Gives wrong information in the application form
- ❖ Misrepresents SHPL or SHPL Business Opportunity
- ❖ Breaches any of the Code of Ethics & Code of Conduct
- ❖ Is convicted of an offence punishable by a prison term
- ❖ Is not mentally sound to handle the business
- ❖ Is declared bankrupt

14.2 SHPL may, at its discretion and by notice in writing to an IBO may terminate the authorization to operate as an IBO or de-sponsor the distributor from his business group, if one or more of the following occurs:

14.2.1 If, in SHPL's opinion, the IBO provided false information in his IBO application.

14.2.2 If the IBO makes a serious misrepresentation of SHPL or the SHPL business which, in SHPL's opinion, is not likely to be satisfactorily remedied by corrective actions.

14.2.3 If the IBO breaches any of these Code of Conduct and fails to rectify such breach within the time period specified by SHPL in its written notice to the IBO in question.

14.2.4 If the IBO commits repeated breaches of any of these Code of Conduct.

14.2.5 If the IBO (or, if the business comprises two or more individuals, any of those persons) is convicted of an offence punishable by a prison term.

14.2.6 If the IBO (or, if the business comprises two or more individuals, any of those persons) is suspended or disbarred from practicing his usual trade or profession by any association, institute or professional society.

14.2.7 If the IBO becomes the subject of bankruptcy or winding-up proceedings.

14.2.8 In the event that an IBO dies without either an executor or a legal heir appointed by the executor who wishes to assume responsibility for continuing the deceased's business.

14.2.9 In the event that an IBO is incapable of managing his day-to-day affairs by reason of mental condition.

14.2.10 If the IBO commits a breach of terms and conditions of availing of any value-added service including any payment thereof and / or fails to make payment of any products /services provided by SHPL.

14.3 The decision of SHPL regarding termination or de-sponsoring of an IBO shall be final and binding on the distributor subject to appeal to a Review Panel pursuant to the procedure as set out in this agreement.

14.4 Termination of an IBO means termination of:

- ❖ All rights as a SHPL Independent Distributor.
- ❖ All income being generated after the date of termination.

Termination of an IBOs authorization to operate as a SHPL IBO means the termination of all rights derived from the said authorization, and in conjunction therewith, the right to receive any further income from or generated by such business arising or accruing after the date of termination, except the right to receive reimbursements of the discounts corresponding to the purchases which were made prior to the termination date. Termination shall be effective upon the date specified by SHPL in its written notice to the IBO in question.

14.5 De-sponsorship means removal of an IBO from his position as a sponsor in the Line of Sponsorship. De-sponsorship or "de-sponsored from one's Business Group" means the removal

of an IBO from his position as a Sponsor in the Line of Sponsorship (including, at the absolute discretion of SHPL, the removal of IBOs right to ever sponsor again in his current Line of Sponsorship or any other Line of Sponsorship), such removal being affected by written notice from SHPL to the relevant IBO and becoming effective on the date stated in such notice.

14.6 The Process of Termination or De-sponsorship: The IBO, whose authorization is to be cancelled or who is to be de-sponsored, shall be given written notice of SHPL's decision by Registered Mail. In addition to complying with the laws of India pertaining to such termination or De-sponsorship, the notice of termination, cancellation, or De-sponsorship shall:

14.6.1 Be mailed to the last mailing address of such parties as shown in SHPL's records;

14.6.2 If applicable, state the Rule(s) violated by the Distributor;

14.6.3 State the date on which any such action shall become effective, and

14.6.4 If applicable, advise the Distributor of his opportunity to appeal SHPL's decision to a Review Panel pursuant to the procedure set out in this agreement.

14.7 Upon termination of his or her authorization as a SHPL IBO for any cause whatsoever, the Distributor shall forthwith:

14.7.1 Return, in good condition, all SHPL Products and services and SHPL distributed products in his possession as specified in the "Buy-Back" policy.

14.7.2 Cease to use all trademarks, trade names, insignia, or other SHPL property used in or related to the SHPL business, and

14.7.3 Cease to identify himself as an SHPL Independent Business Owner.

14.8 In the event that SHPL terminates a Distributor's business or that an IBO is de-sponsored of his Business Group by SHPL pursuant to these Rules of Conduct, the Distributor will have no claim against SHPL arising out of or in respect of the termination or De-sponsorship.

14.9 Suspension of a Distributorship: In an effort to eliminate misrepresentations of the SHPL Compensation Plan within the Line of Sponsorship or as an alternative to terminating the business of an Independent Distributor who has violated the Code of Conduct, SHPL may employ various actions and procedures to encourage proper SHPL business conduct. SHPL may use any or all of the following to address the matter:

14.9.1 Hold / forfeit payment of sales commissions, higher award monies, or other monies payable to the business.

14.9.2 Suspend authorization to conduct sponsoring activity (sponsoring, recruiting meetings, training sessions, home presentations, etc.)

14.9.3 Suspend invitations to company-sponsored trips

14.9.4 Conduct reorientation meetings and chargeback the expenses to the Line of Sponsorship,

14.10 SHPL may initiate termination, De-sponsorship, or suspension of an IBOs business even in the absence of a formal complaint. SHPL shall not, however, take action against the Distributor until SHPL has first offered the violating Distributor an opportunity to explain and/or justify his conduct.

14.11 Where the violation has been of such magnitude as to bring into serious question the right of such Distributor to continue to operate his business, SHPL may terminate without affording the Distributor the opportunity to rectify his past improper conduct.

14.12 The Distributor shall have the right to request a review of the decision by SHPL in accordance with Section 17

14.13 Disposition of Terminated, De-sponsored Businesses Process: In the event that SHPL determines that it is necessary to terminate, de-sponsor an IBO's business or if an IBO cancels his Distributor Agreement or dies without leaving heirs who will assume the operation of the distributorship, disposition of the business of such IBO will be determined by SHPL in its sole discretion. In exercising its prerogative to determine the disposition of such business, SHPL may elect to employ one of the following methods:

14.14 No Limitation on SHPL: SHPL, however, is in no way limited to any of the SHPL IBOs positive methods of disposition of a business and may exercise complete discretion as to methods and/or timing of disposition.

Section 15: Enforcement of the SHPL Code of Ethics & Code of Conduct

Any dispute, differences or claim arising out of or in connection with the Distributor Agreement shall be submitted to binding arbitration and shall be referred to the sole Arbitrator appointed in accordance with the rules and regulation of International Center for Alternate Dispute Resolution as fast track arbitration. The venue of such arbitration shall be at Kolkata and the award of the Arbitrator shall be final and binding on all parties.

