



# POLICY AND PROCEDURES

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e-Biotorium house, plot no. B1/1, MIDC Industrial area, Mira goan, near Amar palace hotel, Opp. A P college and A P Gym, Mira road east, Mumbai District Thane, Maharashtra India Pin code 401107.

# P O L I C I E S   A N D   P R O C E D U R E S H A N D   B O O K

## E B i o t o r i u m   D i r e c t   S e l l e r s

This document is also in accordance with Clause 1 of Direct  
Seller Agreement of E B i o t o r i u m   N e t w o r k   P r i v a t e   L t d .  
executed with the Direct Seller.

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## SECTION 1: INTRODUCTION

- 1.1** E Biotorium Network Private Ltd. (the 'Company' or 'E Biotorium') is dealing in alternate natural therapy & noninvasive self-healing Biomagnetic products of different varieties and different models and capacities and makes its Products available to consumer through Direct Sellers. E Biotorium Network Private Ltd Company's Policies and Procedures Handbook is designed to establish certain principles required to be followed in the development and maintenance of E Biotorium Distributorship and the rights, duties, obligations and responsibilities of each E Biotorium Direct Seller.
- 1.2** E Biotorium Network Private Ltd honors all federal, provincial, and municipal regulations governing direct selling and requires every E Biotorium Direct Seller to do the same. It is, therefore, very important that you read and understand the information in this Handbook. If you have any questions regarding any rule or policy, seek an answer from your Sponsor, up line leader or E Biotorium Network Pvt. Ltd. directly. Review the Professional Ethics and the Policies & Procedures often.
- 1.3** E Biotorium and its Direct Seller have a binding contractual relationship. The terms and conditions of this relationship are set forth in the E Biotorium Direct Seller Application Form, E Biotorium Policies and Procedure Handbook, E Biotorium's Compensation Plans as amended by E Biotorium Network Pvt. Ltd from time-to-time. E Biotorium may notify all such amendments to the Direct Seller by publication on its website: [www.biomagneticmattress.com](http://www.biomagneticmattress.com) and other places where possible.

## SECTION 2: GLOSSARY OF TERMS

- 2.1 "Business Collaterals " means all products and services (including but not limited to business aids, books, magazines and other printed material, online literature, internet websites, audio, video or digital media, meetings and educational seminars (inclusive of tickets for the same) and other types of materials and services) that:
- a) are designed to educate prospective Preferred Customers of E Biotorium products or services, or to support, train, motivate and/or educate E Biotorium Direct Sellers;
  - b) incorporate or use one or more of E Biotorium's trademarks, service marks or copyrighted works; or
  - c) are otherwise offered with an explicit or implied sense of affiliation, connection or association with E Biotorium Network Pvt. Ltd.
- 2.2 "Company/E Biotorium" shall mean E Biotorium Network Pvt. Ltd, a company registered under the Companies Act, 2013 having its registered office at e-Biotorium house, plot no. B1/1, MIDC Industrial area, Mira goan, near Amar palace hotel, Opp. A P college and A P Gym, Mira road east, District Thane, Mumbai, Maharashtra - India Pin code 401107.
- 2.3 "Earnings" means any income achieved by an E Biotorium Direct Seller in the form of commissions, fixed or variable, direct or indirect, rewards, bonuses or in other forms.
- 2.4 "E Biotorium Direct Seller" or a "Collaborative Entity" shall mean a person (individual, firm, LLP or Pvt. Ltd. Company) appointed by E Biotorium on a principal-to-principal basis through E Biotorium Direct Seller Agreement to undertake sale, distribution and marketing of E Biotorium's Products and services and to register Preferred Customers.
- 2.5 "E Biotorium Compensation Plan" means the plan providing details of E Biotorium's performance incentive system, sponsoring procedure and guidelines, Policies and Procedures regarding selling E Biotorium's products as amended from time to time by E Biotorium, and which forms an integral part of the E Biotorium Direct Seller Agreement.
- 2.6 "E Biotorium Direct Seller Agreements" shall mean the agreement setting forth the terms and conditions for a Direct Sellers, entered into through E Biotorium Direct Seller Application, inclusive of its terms and conditions and includes following:
- a) E Biotorium Direct Seller Application Form
  - b) The terms and conditions forming part of the E Biotorium Direct Seller Application

- c) The E Biotorium Direct Seller Handbook with Policies and Procedure.
- d) E Biotorium Compensation Plan

**2.7 "Preferred Customer" means any person who is not an E Biotorium Direct Seller but an end user who's Preferred Customer Application has been accepted by E Biotorium and who may accordingly purchase E Biotorium's Products according to the applicable terms.**

**2.8 "Products" shall mean items manufactured and/or marketed and/or advertised by the Company for the purpose of sale and/or commercial exploitation and shall include all future items as may be manufactured and/or marketed and/or advertised by the Company for purposes of sale and/or commercial exploitation. It also includes Literature, training and other support material, made available by E Biotorium to its Direct Sellers and/or Preferred Customers.**

**2.9 "Prospective Customers" shall mean any persons (whether artificial or natural) which are the buyers of the products sold the Company either directly or by Collaborative Entity**

**2.10 "Product Purchase Order Form" means the application used to order products of the Company.**

**2.11 "Sponsor" means an E Biotorium Direct Seller who (in compliance with all applicable requirements) recommends to E Biotorium, an applicant for authorization as an E Biotorium Direct Seller and who in turn is assigned by the Company to support the recommended applicant if the same is accepted by the Company as an E Biotorium Direct Seller.**

**2.12 "Zero Tolerance" means not allowing any undesirable behavior to continue and imposing definite sanctions against individuals found indulging in such adverse conduct.**

**2.13 "Intellectual Property" includes existing, proposed and future Intellectual Property in the nature of unregistered or registered rights to any and all patents, copyrights, trademarks, trade-secrets, trade-specifications, trade-knowledge, technical or industrial know-how and other confidential and/or proprietary information and inclusive of all intellectual property that is the subject of ownership by the Company and/or its subsidiaries, venture partners and predecessors in interest, business and/or title, and/or other business arrangements, inclusive of but not limited to any oral arrangement which the Company may have entered into with the Party or other party.**

**2.14 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.**



## SECTION 3: CODE OF ETHICS OF E BIOTORIUM DIRECT SELLER:

As owner of my E Biotorium distributorship, I agree to conduct E Biotorium Business according to the following ethical guidelines:

1. I will be honest and fair in my dealing as a Direct Seller.
2. I will follow the Policies and Procedure Handbook and Terms and Conditions of distributorship as mentioned in E Biotorium Direct Seller Application as well as all applicable laws, rules and regulations observing not only "the letter" but also "the spirit" thereof.
3. I will perform my Direct seller business in a manner that will enhance my reputation and the positive reputation established by E Biotorium Network Pvt. Ltd.
4. I will present E Biotorium's Products and the E Biotorium's Compensation Plan to all prospective Direct Sellers and Preferred Customers in an accurate, fair, truthful and honest manner, and I will make sure to present only what is approved in official E Biotorium's publications.
5. I will fulfil my leadership responsibility as a Sponsor, which include training, supporting and communicating with the Direct Sellers in my organization.
6. I will not engage in deceptive or illegal practices and will not misrepresent E Biotorium Products or the Compensation Plan. In my E Biotorium product sales activities, and for the purposes of protecting the E Biotorium Compensation Plan, I will use only the Company's authorized publications.
7. I understand and agree that I am solely responsible for all financial and/or legal obligations I incurred in the course of my business as E Biotorium Direct Seller and will discharge all debts and duties as required of a Direct Seller.

## SECTION 4: BECOMING AN E BIOTORIUM DIRECT SELLER

### 4.1 Application:

To become an E Biotorium Direct Seller, an applicant must be sponsored by an existing E Biotorium Direct Seller in good standing. And in order to be considered for an E Biotorium Distributorship, an individual(s) must, submit a signed, completed E Biotorium Direct Seller Application Form, in his/her/their own name(s), together with all required supporting documentation. Upon such Application being accepted, the person(s) become an E Biotorium Direct Seller.

### 4.2 Requirements for becoming an E Biotorium Direct Seller:

- a) Applicant must be above the age of 18 years, be of sound mind and not disqualified from contracting by any law.
- b) Applicant must submit the following
  - i) Duly filled in Application form;
  - ii) Copy of Government issued Identity Card;
  - iii) Copy of residential proof;
  - iv) Copy of Permanent Account Number (PAN Card);
  - v) passport size photograph; and
  - vi) cancelled bank cheque with Bank Account Details.(Any of the following document to be furnished as proof of address i.e. Adhar card/voter ID/ drivinglicense/ Ration card/ passport etc.)
- c) Applicant must be a citizen and resident of India.

**4.3 Right to accept/reject:** The Company reserves the right to accept or to reject any applications for E Biotorium Direct Sellers/Preferred Customers without having to give any explanation whatsoever.

**4.4 Registration:** E Biotorium appoints, as of the effective date, the individual(s) identified in the Direct Seller application, or if applicable, the legal entity listed therein (the entity), as a Direct Seller of the E Biotorium products and services, and the applicant(s) agree(s) to such appointment. Company reserves the right, at its sole discretion, to accept or refuse any application. E Biotorium do not charge any registration, joining or renewal fee. **Upon acceptance, the person will remain a Direct Seller for a period of 24 months.** To keep the Direct Seller status beyond this period, the Direct Seller needs to demonstrate his/her activity during the past 12 months.

**4.5 Prohibited Practices:** No applicant, as a condition to becoming a new E Biotorium Direct Seller shall be required to, nor any currently authorized E Biotorium Direct Seller, as conditions to provided assistance to a prospective or new or existing E Biotorium Direct Seller, in the development of their E Biotorium Distributorship, shall require the prospective or new or

existing E Biotorium Direct Seller to:

- a) Pay any joining fee or purchase any specified number of products.
- b) Maintain a specified minimum inventory.
- c) Purchase large quantity of inventory solely for the purpose of qualifying for sales bonus or rank advancement.
- d) Promote inventory loading in the distribution channel.
- e) Purchase tapes, literature, audio-visual aids, or other materials or programs.
- f) Purchase tickets for and/or attend or participate in, seminars, or other meetings.

4.6 Mandatory Orientation Session: The applicant must have undergone the Orientation session to understand the overall aspects of direct selling business, remuneration system and expected remuneration for new E Biotorium Direct Seller.

4.7 Abide by Rules: The applicant shall confirm that he has read the Policies and Procedures Handbook and has completely understood all contents before filling out his E Biotorium Direct Seller Application or Preferred Customer Application. He must also abide by all the regulations and stipulations governing E Biotorium Direct Sellers/ Preferred Customers.

4.8 Effective Date and Authorization for order: An application shall be considered as accepted when the Company informs/ notifies the E Biotorium Direct Seller accordingly and an applicant becomes a direct seller when the Company accepts such application and conveys such acceptance by issuance of ID and Direct Seller identification card. The E Biotorium Direct Seller may order products through Product Purchase Order Form immediately after receipt of relevant notification by the Company.

4.9 Validity of E Biotorium Distributorship: A distributorship application once accepted will continue to remain valid as long as Direct Seller continued to sell E Biotorium Products. His/her E Biotorium distributorship will come to an end if he/she fails to make any sale for a period of two years from the date of his last sales.

4.10 Type of Direct Sellers:

4.10.1 ***Individual E Biotorium Direct Seller:*** An individual can have up to seven (7) E Biotorium Distributorships in the Company. When an existing E Biotorium Direct Seller is willing to open the second or third E Biotorium Distributorship, this account has to be opened under his existing account and Channel only. He shall not own any other E Biotorium Distributorship, either individually or jointly, nor shall he participate as a partner, owner, stockholder, trustee, director, or association member, outside his sponsorship.

**4.10.2 Husband and Wife Distributorship:**

- i. The Company will consider each married couple as a different E Biotorium Direct Seller.
- ii. Husband and wife may sponsor each other directly, or **may be sponsored in different channels of distribution.**
- iii. If a spouse is already an E Biotorium Direct Seller, the non-participating spouse may elect to become an E Biotorium Direct Seller and may be sponsored by anyone other than the spouse.

**4.10.3 Members of Same Household:** Members of a Direct Seller's household may operate together as under a single E Biotorium Distributorship channel and may not become separate Company Distributors. A Household is defined as husband, wife, and dependents. It is important to note that children who have attained the age of majority of eighteen (18) years will not be considered to be a part of their parents' household for the purposes of the E Biotorium Distributorship. The Company recognizes that members of the same household may belong to competing direct selling opportunities.

**4.10.4 Legal Entity Distributorship:** A Direct Seller may own and operate his E Biotorium Distributorship as a sole proprietary concern or registered partnership firm or limited liability company (LLC), E-Biotorium will require such distributorships to comply with the following:

- a) The legal entity must file E Biotorium Direct Seller Application form with the Company, duly signed in by its Sole Proprietor or Partner or Director as applicable.
- b) All persons who actually conduct, and who intend to participate in E Biotorium Direct Seller Business of the Distributorship must comprise the majority of the partners in case of a partnership firm or in case of a company collectively own not less than a majority of the paid-up equity share capital of the company and must constitute a majority of the Board of Directors of the company.
- c) No change in the partners, in case of a partnership firm or in case of a company, no change in the number of shares issued, or in the membership of the Board of Directors, may be made, and no agreement or arrangement affecting control of the company by the individuals conducting the E Biotorium Distributorship business may be adopted, without application to, and the prior written approval by the Company.
- d) All partners, shareholders and Directors shall personally and irrevocably guarantee due performance by the partnership firm/company of all of its obligations and responsibilities as a

E Biotorium Direct Seller or especially those outlined in the Policies and Procedures Handbook as set forth from time to time in official Company literature.

- e) A Direct Seller who owns and operates his E Biotorium Distributorship as a sole proprietary concern or registered partnership firm or limited liability company (LLC) or Pvt. Ltd or other legal entity (if applicable) cannot obtain and have Distributorship on individual name.

#### 4.10.5 Change in Status:

- a) Marriage – two Company Direct Sellers who marry after having established their own individual Distributorships may continue to operate their existing E Biotorium Distributorships.
- b) Death – Unless there is a valid nomination already having been made by a Direct Seller is in place, upon the death of a Direct Seller, the rights and responsibilities of the E Biotorium Distributorship may be passed on to the rightful, legally-documented heir as long as that person has filled out a new E Biotorium Direct Seller application, together with a copy of death certificate.
- c) Disability – should a Direct Seller become disabled to the extent that he can no longer fulfil the required duties of the Company as Direct Seller, such disabled Direct Seller's legal representative or conservator or nominee shall notify to the Company in the following manner:
  - i. Contact the Company within thirty (30) days of the disability and advise the Company of the Direct Seller's status and the plans for future management or cancellation of the E Biotorium Distributorship
  - ii. Provide a notarized or court-confirmed copy of appointment as legal representative or conservator; and
  - iii. Provide a notarized or court-confirmed copy of document establishing right to administer the Company business.

Such legal representative shall fill out a new Direct Seller Application, receive requisite training consistent with the disabled Direct Seller's level at the time of disability. These requirements must be satisfied within six months. In case of any dispute between the legal heirs of the deceased or disabled Direct Seller, giving rise to multiple or contradictory claims, then the decision of the Company shall be final.

#### 4.11 Sale or Transfer of Distributorship:

- 4.11.1 Third parties who buy any E Biotorium products do not automatically qualify to be E Biotorium Direct Sellers.

- 4.11.2** E Biotorium Direct Sellers agree to inform all third parties to whom they sell E Biotorium products of the above fact and further agrees not to promise any possibility of transferring Direct Seller rights. A Direct Seller shall not sell, assign or otherwise transfer his E Biotorium Distributorship, marketing position or other E Biotorium Distributor rights without written application to and approval from the Company. This clause is also applicable to the transfer of any interest in an entity that owns an E Biotorium Distributorship, including but not limited to a corporation, partnership, trust or other non- individual entity.
- 4.11.3** The potential buyer must be of similar standing as the selling E Biotorium Direct Seller to become eligible to apply for E Biotorium Distributorship.  
The E Biotorium Distributorship must be offered in writing first to the Direct Seller's sponsor. If the sponsor declines the offer, the Direct Seller may offer the E Biotorium Distributorship for sale to main E Biotorium Direct Sellers of the sponsor within the same group.  
A Direct Seller who sells his or her E Biotorium Distributorship shall not be eligible to re-qualify as a Direct Seller for a period of at least six (6) months after the sale,
- 4.11.4** The Company reserves the right to review the sale agreement and to verify waiver from the sponsor in the event the sponsor declines to purchase the E Biotorium Distributorship. A Direct Seller shall not add a co-applicant to their E Biotorium Distributorship and thereafter, remove their name from the E Biotorium Distributorship, as an effort to circumvent the Company's sale, assignment, delegation or merger procedures. The primary Direct Seller must wait twelve (12) months after adding a co-applicant to the E Biotorium Distributorship before they are allowed to remove their name from the E Biotorium Distributorship.
- 4.11.5** It is prohibited to use a sale or transfer to attempt to circumvent Company policy on raiding, soliciting, cross-sponsoring or interference. A Direct Seller seeking to sell or transfer his E Biotorium Distributorship must acknowledge and agree to Clause 4.5 prior to the finalization of the sale or transfer of his E Biotorium Distributorship

## SECTION 5: E BIOTORIUM DIRECT SELLER RESPONSIBILITIES & OBLIGATION

Direct Sellers are retailers of E Biotorium Products, they must thus keep themselves suitably educated about Companies Products, continue to meet sales criteria set by E Biotorium in order to earn and retain their level as Direct Sellers. E Biotorium Direct Seller must abide by following:

- 5.1 Adherence to Agreement and policies: Direct Sellers must strictly adhere to this Policies and Procedures Handbook and to other documents that comprise the Direct Seller Agreement. E Biotorium may from time to time amend the Policies and Procedure and any other document comprising the Direct Seller Agreement through notice on its website, **Error! Hyperlink reference not valid.**

If the Direct Seller does not agree to be bound by any amendment(s), he/she/they may terminate the E Biotorium Direct Seller Agreement with immediate effect by giving a written notice to the Company. Otherwise, the Direct Seller's continued relationship with E Biotorium constitutes an affirmative acknowledgment by the Direct Seller of the amendment(s), and his/her/their agreement to be bound there to.

- 5.2 Professional Conduct: An E Biotorium Direct Seller shall at all times conduct himself or herself in a courteous and considerate manner and shall not engage in any high-pressure selling, but shall make a fair presentation of E Biotorium Products and the E Biotorium Compensation Plan including, when and where appropriate, demonstrations of such products. An E Biotorium Direct Seller shall never impose himself or herself upon his/her prospective customer and shall:

- 5.2.1 Always take a prior permission or appointment before approaching a prospective customer and indicate the purpose of his or her visit and identify himself or herself as an E Biotorium Direct Seller.
- 5.2.2 Provide the following information to the customer at the time of sale;
- i His/her name, address and telephone number along with that of E Biotorium;
  - ii carry identity card provided by E Biotorium along with any photo ID's issued by any Government agency;
  - iii fix time & place for inspection of the sample and delivery of goods, if customer so desires;
- 5.2.3 If the customer indicates a desire to terminate the interview, the E Biotorium Direct Seller shall immediately do so and shall leave the premises of the customer.

- 5.2.4 The E Biotorium Direct Sellers at all-time make a fair presentation of E Biotorium products. Direct Seller will also direct his or her customer's attentions to direction for using product, cautions, if any, which may be included on the label for products.
- 5.3 Transaction Submission Integrity:
- 5.3.1 It is essential that all relevant transactions relating to and arising out of the Agreement between the E Biotorium Direct Seller/Preferred Customer and the Company be submitted to the Company in order to maintain the integrity of communications between the Company and the E Biotorium Direct Seller/ Preferred Customer.
- 5.3.2 It is to be expected that all transactions submissions to the Company, including, but not limited to, E Biotorium Direct Seller: applications, communication, financial transactions and consumer transactions, be submitted by the individual or entity involved in the transaction – third party submissions of any and all transactions is prohibited.
- 5.3.3 The E Biotorium Direct Seller should not communicate any transactions submissions on behalf of another Direct Seller, E Biotorium Distributorship applicant or Preferred Customer.
- 5.3.4 The E Biotorium Direct Seller shall not use his or her credit card or bank account on behalf of another individual or E Biotorium Direct Seller, except as expressly permitted by the Company in advance for an alternate payer. This rule is applicable to any and all forms of transactions submissions, including, but not limited to, online, telephone, fax, email, Etc.
- 5.4 Business Conduct:
- 5.4.1 In the conduct of business, the E Biotorium Direct Seller shall safeguard and promote the reputation of the Products and services of the Company and shall refrain from all conduct which might be harmful to the reputation of the Company or to the marketing of such Products and services or inconsistent with the public interest, and shall avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices or negative propaganda or adverse publicity.
- 5.4.2 An E Biotorium Direct Seller shall not interfere with, harass or undermine other E Biotorium Direct Sellers and, at all times, shall respect the privacy and business interests of other E Biotorium Direct Sellers.
- 5.4.3 An E Biotorium Direct Seller must not disparage the Company, other E Biotorium Direct Sellers, Company products and/or



services, the marketing and compensation plans, or Company employees.

5.4.4 Each E Biotorium Direct Seller is to bear all cost of building up his/her E Biotorium business.

5.5 Principal to Principal Contract: E Biotorium Direct Sellers are independent contractors and act on principal to principal basis. They are not to be considered purchasers of a franchise, nor does this create an employer/employee relationship, agency, partnership, or joint venture between the Company and its Direct Sellers. When presenting the E Biotorium business opportunity to others, the E Biotorium Direct Sellers must clearly state the independent character of this business. The E Biotorium Direct Seller, as an independent contractor, is fully responsible for all of his/her verbal and written statements made regarding the products, services and/or marketing programme, which are not expressly contained in writing in the current E Biotorium Direct Seller agreement, advertising or promotional materials supplied by the Company. The E Biotorium Direct Seller agrees to indemnify the Company and hold it harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, lost business or claims including third party claims as a result of Direct seller's unauthorized representations or arising out of E Biotorium Direct Seller's business practices and actions

5.6 Responsibility for Paying Taxes:

5.6.1 All E Biotorium Direct Sellers are personally responsible for compliance with all relevant taxation laws and regulations of India that may arise out of his earnings from distribution of the Products of the Company or any other earnings generated as a seller of Company products and services.

5.6.2 The Company will comply fully with any court order or instruction/demand by any Indian Government taxation authority, in relation to a Direct Seller's earnings as a result of his E Biotorium Distributorship. Besides any and all payments by the Company to the E Biotorium Direct Seller towards Direct Seller's entitlements of whatsoever nature shall be subject to deduction of Tax at source (TDS) at applicable rates and a Direct Seller must possess Income Tax Permanent Account Number (PAN) under the provisions of Indian Income Tax Act 1961 and provide a copy of the PAN card issued to the Direct Seller by the income tax department, to the Company.

5.6.3 Similarly, if the Direct seller is already a registered dealer for GST, the certificate of registration must be submitted at the time of registering as Direct seller. If however, after becoming Direct seller

with the company, if his/her income crosses the limits prescribed in the GST Act, he will have to register with the department and forward the GST registration certificate to the company so that his status is changed to registered dealer and on his raising invoices for the income received by him from the company along with the GST, he would be refunded the GST tax paid.

**5.7 Vendor Confidentiality:** The Company's business relationship with its vendors, manufacturers and suppliers is confidential. E Biotorium Direct Seller shall not contact directly or indirectly, or speak to or communicate with any representative of any supplier or manufacturers of the Company except at a company sponsored event at which the representative is present at the request of the Company.

**5.8 Information Confidentiality:** On a periodic basis, the Company may supply data processing information and reports to the E Biotorium Direct Seller, which will provide information concerning the E Biotorium Direct Seller's sub-E Biotorium Direct Seller's sales organisation, Preferred Customers, product purchases and product mix. The E Biotorium Direct Seller agrees that:

- a) Such information is proprietary and confidential to the Company and is transmitted to the E Biotorium Direct Seller in confidence.
- b) He will not disclose such information to any third party directly or indirectly, nor use the information to compete with the Company directly or indirectly during or after the term of the Agreement.
- c) E Biotorium Direct Seller must take appropriate steps to safeguard and protect all private information including without limitation, banks account details, credit card and other details provided by a retail customer, prospective E Biotorium Direct Seller or other E Biotorium Direct Seller.
- d) The E Biotorium Direct Seller and the Company agree that, except as provided for by the confidentiality and nondisclosure provisions of the Agreement, the Company would not provide the above confidential information to the E Biotorium Direct Seller.
- e) E Biotorium Direct Seller are responsible for secured handling and storage of all documents that may contain private information of retail customers and other E Biotorium Direct Sellers.
- f) E Biotorium Direct Seller must adopt, implement and maintain appropriate administrative, technical and physical safeguard to protect against anticipated threats or hazards to the security of confidential information and customer data.
- g) An E Biotorium Direct Seller seeking to sell his E Biotorium Distributorship must acknowledge and agree to this provision prior

to the finalization of the sale of their E Biotorium Distributorship.

## SECTION 6: SPONSORS'S SUPPORT/RESPONSIBILITIES

**6.1 Sponsoring Right:** All E Biotorium Direct Sellers have the right to sponsor others. In addition, every person has the ultimate right to choose his own sponsor. If two E Biotorium Direct Sellers should claim to be the sponsors of the same new E Biotorium Direct Seller, the Company shall regard the first application received by the corporate home office as controlling. As a general rule, it is good practice to regard the first E Biotorium Direct Seller who has meaningfully worked with a prospective E Biotorium Direct Seller as having the first claim to sponsorship though this is not necessarily the sole factor of consideration. Other factors of consideration such as common sense and equitable principles should also be utilized.

**6.2 Responsibility to submit completed application with documents:** The Company may provide the E Biotorium Direct Sellers with various methods of submitting registration or information of newly sponsored E Biotorium Direct Sellers, including but not limited to, facsimile registration and online registration for the convenience of the E Biotorium Direct Sellers.

Till the Company receives a duly completed application, containing all appropriate and required information as well as the signature of the proposed new E Biotorium Direct Seller, the Company will only consider any such application as one which is merely a non-binding expression of interest. Although the Company is attempting to create convenience for its sponsoring E Biotorium Direct Sellers, it is the responsibility of each sponsoring E Biotorium Direct Sellers to cause delivery to the Company of a completed and signed E Biotorium Direct Sellers agreement if the sponsor is expected to be recognized as the official sponsoring E Biotorium Direct Seller.

**6.3 Responsibility to supervise:** E Biotorium Direct Sellers must also be able to provide to the Company annually, proof of ongoing fulfilment of their sponsorship responsibilities. Any E Biotorium Direct Seller, who sponsors other E Biotorium Direct Sellers or sub-E Biotorium Direct Sellers, must fulfil the obligation of performing a bonafide supervisory, distributing and selling function in the sale and/or delivery of product to the ultimate consumer and in the training of those sponsored.

E Biotorium Direct Sellers must have ongoing contact, communication and management supervision with their sales organisation(s). For the avoidance of doubt, potential E Biotorium Direct Sellers shall not be required to provide any form of payment or benefit in order to be sponsored by the E Biotorium Direct Seller. Examples of such supervision may include, but are not limited to: written correspondence, personal meetings,

telephone contact, voice mail, electronic mail, training sessions, accompanying individuals to company training etc.

- 6.4 Responsibility to train:** Those who sponsor widely but who do not help new E Biotorium Direct Sellers develop their business will be met with limited success. Therefore, it is the E Biotorium Direct Sellers's responsibility to follow through and make sure the new E Biotorium Direct Sellers is properly informed and trained in the areas of product knowledge, the compensation plan, the professional guidelines of the network marketing industry, the Company Policies, Handbook and Agreement. Each sponsor shall conduct, or provide access to, training and motivation that complies with the Policies and Procedures Handbook.

In order to meet this obligation, the Sponsor shall encourage his sponsored Direct Seller to attend training organized by E Biotorium or personally train the Direct Sellers whom he or she sponsored or arrange for support from other direct sellers, including his or her up line, Direct Seller Training Providers. In all cases the Sponsor remains responsible and accountable under the E Biotorium Direct Seller Contract for ensuring that compliant training and motivation are made available to his or her sponsored Direct Sellers

- 6.5 Responsibility to provide complete information:** When soliciting a prospective E Biotorium Direct Seller to join the Company's network programme, the E Biotorium Direct Sellers must clearly explain the following:
- a) Products: type, performance and quality of each product;
  - b) Compensation plan;
  - c) Policies and Procedures;
  - d) E Biotorium Direct Sellers's rights and duties; and
  - e) Other important items that will affect the judgment of the prospective E Biotorium Direct Sellers.

- 6.6 Obligations of the direct seller/collaborative entity.**

- a) For the purposes of the business of the Company, the Direct seller/Collaborative Entity shall clearly while dealing with prospective costumers clearly identify himself & disclose the identity of the Company including address of the place of business of the Company, nature of products manufactured and/or sold by the Company, and also clearly communicate and/ or disclose to the prospective customers its associated risks and benefits of the products of the Company.
- b) The Direct seller/Collaborative Entity shall provide accurate and complete information with respect to demonstration of the product of the Company, its prices, terms of payment, return, exchange, refund policy to the

prospective customers & shall not in any way hide any material information about the products of the Company.

- c) The Direct seller/Collaborative Entity shall provide his identity card issued by the Company to the prospective customer prior to carrying out any sale for and on behalf of the Company and shall also show/display "Brochure" of the Company which would contain brief description of the Company & description of the products of the Company as and when demanded by the prospective customer.
- d) The Direct seller/Collaborative Entity shall prior to the conclusion of sale with the prospective customer disclose the total consideration amount which would be paid to the company, in case, the prospective customers agree to buy the products of the Company. The Collaborative Entity shall also disclose country of origin of the products of the Company & shall provide right to inspection, if the prospective customer so desires, of the products of the company at a mutually agreeable place and time as may be decided between the prospective customer and the Collaborative Entity.
- e) The Direct seller/Collaborative Entity shall have a limited right to persuade the prospective customers to buy the products of the Company and shall in no means whatsoever use any coercive and/or unfair trade practices which would directly and/or indirectly affect the business of the company while dealing with the prospective customers. Any contravention of this clause shall be the sole responsibility of the Collaborative Entity and the Company shall not be in any way responsible for the same.
- f) It shall be the duty of the Direct seller/Collaborative Entity to protect all personal sensitive information provided by the prospective customer and shall take reasonable care and precaution that the information as provided shall not be disclosed to any third party excluding the Company which may be adversarial to the interests of the prospective customers. Any contravention of the Collaborative in respect of the present clause shall be the sole responsibility of the Collaborative Entity and the Company shall not be in any way responsible for the same.
- g) The Direct seller/Collaborative Entity shall not-
  - i. Visit the prospective customer's premises without the identity card and brochure as provided by the Company and also shall not visit the premises of the prospective customers without prior appointment convenient to the prospective customers.
  - ii. Shall not provide any prospect/brochure and/or any fake description of the products which are not been approved by the

Company.

- iii. In pursuance of a sale, make any claims that are not consistent with the statements/product information of the products authorized by the company.
  - iv. In pursuance of a sale, shall not mislead the prospective customers in purchasing the products of the company by providing any information which are inconsistent to the claims of utility of the products manufactured by the company.
  - v. Shall not receive and/or demand any sale consideration or any part of it pursuant to the sale of the products of the Company in cash and/or in kind in his personal and/or affiliates bank account. It shall be non-revocable obligation of the Collaborative Entity to provide the bank details of the Company for the transfer of sale consideration of the products of the Company.
  - vi. Shall not demand any token money/earnest money from the prospective customers for the products ordered.
  - vii. Shall not sell the product above the Maximum Retail Price (MRP) and/or below the selling price as specified by the company in respect of products of the company from time to time.
  - viii. Shall not in any way put to sale the products of the Company through any E-commerce medium and/or platform.
  - ix. Shall not disparage and/or defame the Company in any manner in front of the prospective customers.
- h) It has been communicated to the Collaborative Entity that the company does not provide any warranty and/or guarantee and/or refund and/or replacement and/or return of whatsoever nature of its products. In pursuance of the same, the Collaborative Entity shall compulsorily make known to the prospective customers of the said policy of the company with reference to warranty and/or guarantee and/or refund and/or replacement and/or return while dealing with the prospective customers. Any adversarial claims made by the Collaborative Entity while dealing with prospective customers with respect to the above referred policies shall be the sole responsibility of the Collaborative Entity and the Company shall not in any way be held responsible for the same and/or be required to fulfill the same.
- i) It shall be necessarily communicated to the prospective customers that the Company does not provide any insurance, installment or credit

payment scheme for the products sold by the Company. Any such representation made by the Collaborative Entity shall be void and the Company shall not be in any way liable to be obliged by the same.

- j) It shall be necessarily communicated to the prospective customers that they shall be solely responsible for the products bought after inspection of the products of the Company. Notwithstanding, in case, the goods tend to be defective, prospective customers would always have the option to not accept the products in its defective condition of which loss shall be borne by the Collaborative Entity if the goods were not defective during the inspection of the Collaborative Entity during pick up from authorized centers of the Company.
- k) It shall be necessarily communicated to the prospective customers that though the products as offered by the Company helps for providing health benefits, which may not be tangible and/or apportioned and/or visibly seen, the prospective customer shall not in any way alter and/or modify and/or change any medicines/prescriptions/medical treatments as recommended to the prospective customers by the concerned doctor as may be hired by the prospective customer. Any deviations from the responsibility as specified in this clause shall be the sole responsibility of the Collaborative Entity and the Company shall not in any way be responsible for the same.
- l) It shall be communicated to the prospective customers by the Collaborative Entity that any claims made with respect to delivery of the goods shall always be subjected to availability of stock of the products ordered by the prospective customers with the Company.
- m) The Direct seller/Collaborative entity shall after the confirmation of order by the prospective customers shall be required to do the following-
  - a) Immediately contact the company & enquire about the availability of the stock of the product ordered by the prospective customers. In case of non-availability, the same shall immediately be informed to the prospective customer without any delay or demur.
  - b) In case of availability, procure the product from the pickup centers authorized by the Company. During such procurement from authorized pick-up centers, the Collaborative Entity shall necessarily carry out thorough inspection of the products for any defects of whatsoever nature. It shall be only upon satisfaction of such inspection; the Collaborative Entity shall accept the delivery of product from authorized pick-up centers of the company.
  - c) After such procurement upon satisfaction by the Collaborative Entity, he shall deliver the product to the prospective



customers through any mode as may be desirable to the Collaborative Entity. Notwithstanding anything, the Company shall not be in any way be responsible for any damage of whatsoever nature to the products during the transit from the authorized pickup centers of the Company. If any damage is caused to the products as ordered by the prospective customers during transit, the Collaborative Entity shall be solely responsible for the same & the company shall not in any way be asked to replace/repair/refurbish the products of the company. Any loss caused during transit shall be borne by the Collaborative Entity.

- d) Upon delivery to the prospective customer, the Collaborative Entity shall necessarily ask the prospective customer and/or its agents as may be specifically assigned by the prospective customer to inspect the product delivered for any defects of whatsoever nature. The Collaborative Entity shall further communicate to the prospective customer, that after necessary inspection, the prospective customer shall only purchase the product after due satisfaction and if the said products as ordered are accepted, the prospective customer shall be liable to waive off any right of warranty and/or guarantee and/or refund and/or replacement and/or return from the Company.
- e) Upon acceptance of product, the Collaborative Entity shall provide the Bank details of the Company for immediate IMPS/NEFT and/or any other mode of instant transfer for the payment of consideration towards the products sold by the Collaborative Entity. It shall be responsibility of the Collaborative Entity to ensure that the consideration of the products sold is received by the Company and only upon such receipt by the Company, the Collaborative Entity shall handover the possession and/or ownership of the products to the prospective customer.

#### 6.7 Transfer of Sponsorship:

6.7.1 Transfer is rarely permitted and is actively discouraged. Maintaining the integrity of sponsorship is absolutely crucial for the success of the overall organization.

6.7.2 Transfers will generally be approved in the following two (2) circumstances:

- i In the case of unethical sponsoring by the original sponsor – in such cases, Company will be the final authority; or
- ii Resigning from the Company entirely – waiting six (6) months to reapply under the new sponsor.

## **SECTION 7: PROMOTION OF E BIOTORIUM PRODUCTS AND OPPORTUNITIES**

### **7.1 Sales Presentation/Advertising Correct Information:**

**7.1.1** The Direct Seller shall be basically selling and distributing the products of the Company for incentives by way of Direct Seller's margin. The Company's products purchased by E Biotorium are for personal use of Direct Seller or use by family or relatives and otherwise are not for resale. All Company products are sold at Company-specified prices. A Direct Seller shall not advertise for sale or put up for sale Company's products that deviates from Company pricing. A Direct Seller shall not advertise, offer or provide a customer with a rebate or other consideration to facilitate a lower customer price for Company's products.

**7.1.2** E Biotorium Direct Seller shall not advertise Company products/services/ marketing plans except as approved by the Company.

### **7.2 Retail Establishment (Pickup Centers):**

**7.2.1** Company products or services may only be displayed, sold and delivered in retail establishments where the nature of the business is to make appointments with customers (such as salons, doctor's offices, and health clubs where appointments are scheduled).

**7.2.2** The sale and delivery of such products or services within such retail facilities must be conducted by a Direct Seller and must be preceded by a discussion where the Direct Seller introduces the Company's products or services and opportunities just as they would if they had met outside of the retail facility. Company produced literature, banners, or signage only shall be displayed on a shelf, counter, or wall and must be displayed by itself.

**7.2.3** Company products or services shall not be sold in any retail establishment, even by appointment, if competitive products or services are sold in that establishment.

**7.2.4** From time to time, the Company may announce policies and rules that expand or contract restrictions on sales in retail establishments

### **7.3 Trade Shows:**

**7.3.1** Company products or services and opportunity shall be displayed at trade shows by E Biotorium Direct Seller only with written authorization from the Company received before the participation.

- 7.3.2** Request(s) for participation in trade shows must be received in writing by the Company at least two weeks prior to the show.
- 7.3.3** Only Company produced marketing materials shall be displayed or distributed. No Direct Seller shall sell or promote the Company products or services or business opportunity at flea markets, swap meets, or garage sales.
- 7.4** Assigned Territory: E Biotorium Direct Sellers are not assigned exclusive territories for marketing purposes, nor shall any Direct Seller imply or state that he does have an exclusive territory. There are no geographic limitations on sponsoring E Biotorium Distributors or selling product within the India and any approved countries in which the Company is registered to do business.
- 7.5** International Sales: No E Biotorium Direct Seller shall export or sell directly or indirectly to others who export the Company's products, literature, sales aids or promotional material relating to the Company, its products or services or the Company's programme from India to any other country. E Biotorium Direct Seller who choose to sponsor internationally, may do so only in countries in which the Company or its parent company has registered to operate its business and must comply fully with the Rules of Operation of a Company Distributorship in that country. Any violation of this clause constitutes a material breach of this Agreement and is grounds for immediate termination.
- 7.6** Endorsements: E Biotorium Direct Sellers shall not represent that the Company's programme has been approved or endorsed by any Indian Government agency.
- 7.7** Newspaper Advertisement: Some E Biotorium Direct Seller use classified advertising in the newspapers to find prospective Direct Seller. While any such advertisement shall be subject to prior approval of the Company, the following rules apply – no advertisement shall imply that a “job” or “position” is available. No specific income can be promised and advertisements must contain no misleading facts or distortions of the Company opportunity or product line.
- 7.8** Business Cards and Stationery: Any printed materials, including business Cards and stationery, must be approved by the Company in advance. The criteria for approval would be the quality of the materials submitted as well as necessity of establishing the independent status of the Direct Seller.
- 7.9** Press Inquiries: Any inquiries by the media are to be referred immediately to the Company. This policy is to assure accuracy and a consistent public image.

## SECTION 8: BUSINESS COLLATERALS

The content, review and authorization, creation, production, promotion, distribution, offering for sale and sale of Business Collateral Support Materials shall strictly adhere to this Section 8 and other applicable provisions in this Policies and Procedure Handbook.

### 8.1 General Rule for Business Collaterals:

- 8.1.1 E Biotorium recognizes the importance of training to E Biotorium Direct Sellers and produces Business Collaterals for representation of its business opportunity and explaining about the Products. Only such Company produced Business Collaterals are to be used by E Biotorium Direct Sellers in promotion of their E Biotorium business.
- 8.1.2 No Third Party produced Business Collateral whether developed by E Biotorium Direct Seller or any independent person can be used for promotion of business or product of E Biotorium, except with explicit written consent from E Biotorium. E Biotorium reserve its right to grant limited license to Senior E Biotorium Direct Seller to produce their own Business Collaterals, provided such collaterals complies with requirement of these policies and are submitted for review and approval to E Biotorium before their production or dissemination.
- 8.1.3 Such Approved Third-Party Business Collaterals shall not be offered for sale or sold to prospective E Biotorium Direct Seller or Preferred Customers or E Biotorium Direct seller. E Biotorium Direct Seller may neither give to, nor receive compensation, remuneration or other financial incentives from, other E Biotorium Direct Seller for the promotion, distribution, offering for sale of such Approved Third-Party Business Collaterals and they shall only be used to complement the Company produced Business Collaterals.
- 8.1.4 Such Approved Third-Party Business Collaterals shall not infringe in any way on E Biotorium copyrights, trademarks or other intellectual property rights, or provisions of any other applicable laws, rules or regulations.
- 8.1.5 Such Business Collaterals shall not suggest, imply, promise or guarantee, either directly or indirectly, that any specific level or amount of sales, income, profit or earnings may be derived from the E Biotorium Business or from selling any specific line or lines of E Biotorium Products.
- 8.1.6 Any claim relating to the use, characteristics and/or performance of E Biotorium Products must be reproduced verbatim from official E Biotorium sources, without alteration or modification. No third- party claim for the same shall be authorized in any such Business Collateral. E Biotorium Direct Sellers may, with prior company's approval given,

incorporate into their communications or include in presentations reduced to a fixed medium full and exact reproduction(s) of materials set forth in E Biotorium-produced literature, E Biotorium website, or E Biotorium-produced labels.

## SECTION 9: BUSINESS PRACTICES

### 9.1 Being Truthful and Accurate: No Direct Seller shall:

- 9.1.1 Make any offer to sell any E Biotorium product which is not accurate and truthful as to price, grade, quality, performance, and availability.
- 9.1.2 Make statements or representations regarding the Company or its Products other than those approved and provided in writing by the Company such as its Company Policies and Procedures Handbook and/or any other official Company printed literature and publications.
- 9.1.3 In any way whatsoever, represent incorrectly with regard to prices, quality, standards, grades, contents, style or model, place of origin or availability of E Biotorium Products.

### 9.2 Product Claims: No Direct Seller shall:

- 9.2.1 Make any claim that the Company products are intended to diagnose, treat, cure or prevent any disease. Such statements can be perceived as medical claims and unsubstantiated claims such as these are strictly against general Company policies and shall also violate relevant laws in India.

Pursuant to the Company's general policies of prohibition of medical, curative or treatment claims, the Company enumerates the following specific policies which include but are not be limited to:

- i. E Biotorium Direct Sellers are prohibited from making medical, curative or treatment claims, whether expressed or implied;
- ii. E Biotorium Direct Seller are prohibited from using in any and all of their marketing materials and promotion any descriptions that are regarded as health or medical claims stating that; Products of the Company under the brand name "E Biotorium" may alleviate, cure, diagnose, prevent, relieve, or treat any medical condition, disease, ailment or malady.

- 9.2.2 Make exaggerated product claims or non-guaranteed claims with regard to E Biotorium Products.

- 9.2.3 Agree to make no false or fraudulent representations about the Company, the products, the Company compensation plan, or income potentials

### 9.3 Income Claims: No income claims, income projections, income representation, or showing of Direct Seller Margin checks ("check waving") shall be made to prospective Direct Sellers. Any false, deceptive or misleading claims regarding the opportunity or product/service are prohibited. In their enthusiasm, E Biotorium Direct Sellers are occasionally

tempted to represent hypothetical income figures based upon the inherent power of network marketing as actual income projections. This is counter-productive, since new Direct Sellers may be quickly disappointed if their results are not as extensive or as rapid as a hypothetical model would suggest. The Company believes firmly that the income potential is good enough to be reasonably attractive in reality without resorting to artificial and unrealistic projections.

**9.3.1** E Biotorium products require explanation about their use do not allow its E Biotorium Direct Seller to sell through impersonal channel of distribution.

**9.3.2** Selling Non-E Biotorium products by making use of E Biotorium distribution network by E Biotorium Direct Seller is prohibited.

**9.4 Prohibition on Raiding and Cross-Solicitation of Products or Other Business Opportunities:**

**9.4.1** The Company takes seriously its responsibility to protect the livelihood of its sales forces and hard work invested to build a sales organisation. Raiding and solicitation actions in which E Biotorium Direct Sellers seek to raid and solicit other E Biotorium Direct Sellers in the sales organisation to non-company products and services and to other business opportunities, severely undermines the marketing programme of the Company, interferes with the relationship between the Company and its sales force and destroys the livelihood of other E Biotorium Direct Sellers who have worked hard to build their own business, the business of their sales and benefits they have earned by helping to build a sales organisation.

Therefore, E Biotorium Direct Sellers shall not directly or indirectly sell to, nor solicit from, other Company Direct Sellers, non-company products or services, or in any way promote to other Company Direct Sellers business opportunities in marketing programme of other business opportunity companies at any time.

**9.4.2** E Biotorium Direct Sellers shall not engage in any recruiting or promotion activity that targets Company Direct Sellers for opportunities or products of other direct selling companies or business opportunities, either directly or indirectly, by themselves or in conjunction with others, nor shall an E Biotorium Direct Seller participate, directly or indirectly, in interference, raiding or solicitation activity of Company Direct Seller for other direct selling companies or business opportunities. Unless approved in writing by the Company, this general prohibition includes sales or solicitation of non-company

products or services at meetings organized for Company sales, promotion, training recruitment, demonstration, etc. This prohibition on targeting, interference, soliciting and raiding shall be in effect during the term of the E Biotorium Direct Seller Agreement and for a period of three (3) years after the termination of the E Biotorium Direct Seller Agreement.

For the term of this agreement and for three (3) years after termination hereof, a Direct Seller shall not, directly or indirectly, recruit any of Company's E Biotorium Direct Sellers to join other direct sales or network marketing companies nor solicit, directly or indirectly, Company's E Biotorium Direct Sellers to purchase services or products, or in any other way interfere with the contractual relationships between Company and its E Biotorium Direct Sellers.

- 9.5 Repackaging:** Repackage, or otherwise change or alter any of packaging labels of E Biotorium product is prohibited.



## SECTION 10: USE OF E BIOTORIUM'S TRADEMARK, TRADE NAME AND COPYRIGHT MATERIAL

The name of the Company and other names as may be adopted by the Company are proprietary trade names and trademarks of the Company. As such, these marks are of great value to the Company and are supplied on permissive, non-exclusive and terminable license basis to E Biotorium Direct Sellers for use only in an expressly authorised manner exclusively in relation to the distribution of the Products of the Company. Following are the terms of using:

- 10.1** E Biotorium Direct Sellers agree not to advertise Company products or services in any way other than the advertising or promotional materials made available to E Biotorium Direct Sellers by the Company.
- 10.2** E Biotorium Direct Sellers agree not to use any written, printed, recorded or any other material in advertising, promoting or describing the products or services or the Company marketing program, or in any other manner, any material which has not been copyrighted and supplied by the Company, unless such material has been submitted to the Company and approved in writing by the Company before being disseminated, published or displayed.
- 10.3** The Company will not permit the use of its copyrights, designs, logos, trade names, trademarks, etc., without its prior written permission. E Biotorium Direct Sellers shall not use the Company logo in marketing or sales materials, except upon approved business cards. The trademarked term Kangen Water™ or Trade Mark of the Products must also be appropriately annotated. In addition to general prohibitions on use of the Company trademarks or logos, the Company specifically prohibits the use of Company trademarks or logos in conjunction with the sale of any other non-Company products.
- 10.4** All Company materials, whether printed, on film, produced by sound recording, or on the internet, are copyrighted and shall not be reproduced in whole or in part by E Biotorium Direct Sellers or any other person except as authorized by the Company. Permission to reproduce any materials will be considered only in extreme circumstances. Therefore, an E Biotorium Direct Seller should not anticipate that approval will be granted, even if the same is sought by the E Biotorium Direct Seller in this regard.
- 10.5** An E Biotorium Direct Seller shall not produce, use or distribute any information relative to the contents, characteristics or properties of Company product or service which has not been provided directly by the Company. This prohibition includes but is not limited to, print, audio or video

media.

- 10.6** An E Biotorium Direct Seller shall not produce, sell or distribute literature, films or sound recordings which are deceptively similar in nature to those produced, published and provided by the Company for its E Biotorium Direct Sellers. Nor shall an E Biotorium Direct Seller purchase, sell or distribute non-company materials which imply or suggest that said materials originate from the Company or are in any manner similar to the Products of the Company in functionality, purpose, utility or otherwise.
- 10.7** Any display ads or institutional or trademark advertising copy, other than covered in the foregoing rules, must be submitted to the Company and be approved in writing by the Company prior to its publication.
- 10.8** All advertising, direct mailing, and display must be approved in writing before being disseminated, published or displayed. Advertising on radio, TV, newspapers, magazines, and websites except through the permitted website under Clause 11.2 is strictly prohibited.

## SECTION 11: INTERNET AND WEBSITE POLICY

- 11.1** No sale through Internet: Products of the Company cannot be sold in e-commerce mode and any such selling through Internet in e-commerce mode is strictly prohibited. The internet website is created and used by the Company strictly for the purpose of advertisement, publicity and public awareness about the Products of the Company.
- 11.2** Use of Website and Business Promotion require prior approval: E Biotorium Direct Sellers are prohibited from creating any independently-designed website relating to the Company Business or the Products. All Direct Sellers must receive prior authorisation from the Company by submitting all promotional products such as DVDs, CDs, Brochures, flyers Etc., prior to their use. Violation of this clause will subject the E Biotorium Direct Seller to rights suspension and/or termination of the Agreement.
- 11.3** Use of Website with E Biotorium identity: No Direct Seller shall independently design a website that uses the names, logos, product or service descriptions of the Company, nor shall a Direct Seller use “blind” ad on the internet making product or income claims which are ultimately associated with Company products, services or the Company's compensation plan. Any person using Company names, logos, trademarks, Etc., on the internet or any other advertising medium, except as permitted and approved by the Company, shall be subject to immediate disciplinary action which may include termination of the Agreement.
- 11.4** Prohibition on Use of Shopping Sites, Auction Sites: An E Biotorium Direct Seller is strictly prohibited from selling or promoting Company products on internet shopping sites, internet auction sites, and internet classified listings including, but not limited to, eBay, amazon.com, and craigslist.com. Any violation of this article will constitute grounds for rights suspension and/or termination of the Agreement.
- All warranties on Company products are limited and non-transferable. The Company disclaims all statutory and implied warranties to the extent as permitted by law. The product warranty is limited to the express terms of the Consumer Limited Warranty and the Extended Consumer Limited Warranty.
- 11.5** No Spam Policy: It is specific Company policy to prohibit unsolicited email (spamming) or information by facsimile relating to the Company's opportunity and products and services. The Company has a zero-tolerance policy of spamming practices. E Biotorium Direct Seller who violate the Company's “no spam policy” are subject to disciplinary action which may include termination of the Agreement.

## **SECTION 12: CANCELLATION OR TERMINATION OF DISTRIBUTORSHIP; DISCIPLINARY ACTION:**

**12.1 Disciplinary Actions:** A Direct Seller's violation of any Policies and Procedures, the Agreement, terms and conditions or any illegal, fraudulent, deceptive, or unethical business conduct may result, at the Company sole and entire discretion, in one or more of the following disciplinary actions:

- a) Issuance of a written warning or admonition; and/or
- b) Imposition of liquidated damages (being 200% of the gross Direct Seller Margin entitlements, etc. received by the Direct Seller in the immediately preceding year and in case the Direct Seller has not completed a full year, the entire immediately preceding period), which may be recovered immediately or withheld from future entitlements checks; and/or
- c) Reassignment of all or part of a Direct Seller's organisation; and/or
- d) Freezing of Direct Seller Margins/entitlements for an indefinite period; and/or
- e) Suspension, which may result in termination or reinstatement with conditions or restriction.
- f) Termination of the E Biotorium Distributorship.

In instances of violation of the E Biotorium Policies and Procedures any Direct Seller may make a complaint to E Biotorium in accordance with the Complaint Procedure set out in Section 12.2 below

**12.2 Complaint Procedure:** When a Distributor has discovered that there may have been a violation of the Policies and Procedures, he must notify the company and his up line of the violation and all facts and documentary or other evidence connected with it.

**12.2.1 Notification to Alleged Violator:** On receiving this notice, or on Company becoming aware about any violation suo-moto, the company will notify the appropriate Direct Sellers of the complaint and request an immediate response.

**12.2.2 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 the company.

**12.2.3 Informal Resolution:** After company receives all information of facts and circumstances relevant to the complaint, it will decide whether there has been a violation of the Policies and Procedures and will then discuss the matter with the Direct Seller involved to explain the rationale behind the rule and to obtain adequate assurance from

the Direct Sellers that it will not recur.

**12.2.4 Formal Resolution:** If the company is unable to settle the matter informally and if the appropriate corrective action is deemed by the company to be taken other than termination or the company will forward a decision letter to the violating Direct Seller. 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.

**12.2.5 Failure to Comply:** Company will allow the Distributor 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, E Biotorium will take further enforcement action directly.

**12.3 Right to Terminate:** The Company reserves the right, at its sole and entire discretion, to terminate any E Biotorium Distributorship at any time if the Company determines that the E Biotorium Direct Seller has violated the provisions of the Agreement including the Policies and Procedures of the Company, including the provisions of the clauses contained in this document herein, including as and when these clauses may be amended by the provisions of applicable laws and standards of fair dealings and the said violation(s) has not been cured by the Direct Seller concerned in spite of a 30 days' notice from the Company to that effect.

In the event of termination, the Company shall notify the Direct seller by mail at the most current address of the Direct Seller lodged with the Company. In the event of a termination, the terminated Direct Seller agrees to immediately cease representing himself as E Biotorium Direct Seller.

**12.4 Termination by Company:**

- a) When a decision is made to terminate a Distributorship, the Company will inform the Direct Seller in writing that the Distributorship is terminated immediately, effective as of the date of the written notification. The termination notice will be sent by registered mail to Direct Seller's most current address on file with the Company.
- b) The Direct Seller will have fifteen (15) days from the date of mailing of the registered letter in which to review the termination in writing for the Company to reconsider the said termination, and provide written response as to the findings of violations by the Company of the Company Policies and Procedures Handbook and/or Agreement. The Direct Seller's review appeal and/or response correspondence must be received by the Company within twenty (20) days of the Company's termination letter. If the appeal is not received within the

20-day period, the termination will automatically have deemed to be final.

- c) If a Direct Seller files a review appeal in accordance with the stipulated procedures and time period, the Company will review and consider the Direct Seller's review appeal. In addition, the Company will also consider any other appropriate action, and notify the Direct Seller of its decision in due course.
- d) The decision of the Company will be final and subject to no further review. In the event the termination is deemed to be final, the termination will be effective as of the date of the Company's original termination notice. The terminated Direct Seller shall not be sponsored as a Company Direct Seller again.
- e) While pending consideration of the review appeal made by the Direct Seller by the Company, all rights of the Direct Seller under this Agreement shall stand suspended. Upon confirmation of termination of E Biotorium Distributorship in spite of the review of the Company, all rights under the Agreement cease. The terminated ex-Direct Seller will no longer be eligible for any rights, bonuses or Direct Seller Margins. The terminated ex-Direct Seller can also no longer advertise, sell or promote the Company products or purchase products from the Company and any violation of this clause will be sufficient grounds for the Company, at its sole and entire discretion, commence whatever action including but not limited to, legal action, against the terminated ex-Direct Seller.

#### **12.5 Cancellation of E Biotorium Distributorship:**

- a) The E Biotorium Direct Seller Agreement may be cancelled / terminated at any time and for any reason by a Direct Seller notifying the Company in writing of his election to cancel, by way of a 60 days' advance notice. Similarly, the Company may also cancel / terminate the E Biotorium Direct Seller Agreement without cause and without assigning any reason by giving 60 days' advance notice to the Direct Seller to that effect.
- b) All cancellations are accepted and effective as stated. As of the effective cancellation date, the Direct Seller loses all privileges of leadership and in relation to his/her sub-Direct Sellers, and is no longer eligible for any rights, bonuses or Direct Seller Margins. He cannot advertise, sell or promote the Company products or purchase product from the Company. The cancelling Direct Seller's sub-distributorships automatically transfers to his immediate main Direct Seller. The resigning / terminated Direct Seller must wait six

(6) months before he is eligible again to be sponsored again as a Company Direct Seller, either as an individual or a corporation.

- c) The Company will consider an application to reinstate a "resigned / terminated Direct Seller" one year after the resignation / termination date. As part of the application, the former Direct Seller must pledge to adhere to the existing requirements of the Company Policies and Procedure Handbook and Agreement. Acceptance of the application is at the discretion of the Company and the Company shall also have the discretion to reinstate the former Direct Seller in the sales organisation at his or her former position or to require a lesser placement as a condition to reinstatement. The Company reserves the right to, at its sole and entire discretion, accept or reject such application.

## SECTION 13: MISCELLANEOUS PROVISIONS

### 13.1 Rights of the Company:

- a) The Company expressly reserves the right to alter, modify or amend prices, Rules and Regulations, Policies and Procedures, product availability and the compensation plan. Upon notification in writing, such amendments are automatically incorporated as part of the Agreement between the Company and Direct Seller. Company communication of changes may include, but shall not be limited to mail, email, fax, posting on the Company website, publication in company newsletters or magazines, etc.
- b) The Company reserves the right to make all final decisions as to the interpretation of the articles stated in this document. The final Company decision based on the interpretation of the articles stated herein is effective immediately. All Direct Sellers are obliged to follow the Company's decision as to the interpretation of the articles herein.

### 13.2 Indemnification and Hold Harmless:

The E Biotorium Direct Seller hereby indemnifies and releases the Company, its officers, directors, agents and assigns and holds harmless from and against the full amount of any and all claims, causes of action, judicial and administrative proceedings suits, charges, liabilities, losses, damages, costs and expenses, including without limitation court costs and reasonable fees and expenses of attorneys and consultants, which are or may be made, filed or assessed against Company at any time arising out of Direct Seller's business operations and representations made by the Direct Seller in the operation of his business whether during the term of this Agreement or after its expiry or termination, arising from the following:

- a) Violation and/or lack of compliance with terms of the E Biotorium Direct Seller Agreement, Policies and Procedures, rules and regulations, marketing programme manual or guidelines or any other directive from the Company as to the method and manner of operation of the E Biotorium Direct Seller business; and/or
- b) Engaging in any conduct not authorized by the Company in the Company marketing programme; and/or
- c) Any fraud, negligence or willful misconduct in the operation of the Direct Seller business; and/or
- d) Misrepresentation or unauthorized representation regarding the Company's product or service, marketing opportunity or potential or the Company's marketing program; and/or



- e) Failure to adhere to the relevant laws of India; and/or
- f) Engaging in any action which exceeds the scope of authority granted to the Direct Seller by the Company; and/or
- g) Engaging in any activity over which Company has no effective control as to the actions of the Direct Seller; and/or
- h) Any claim or demand by the customers of the Direct Seller for which the Company is not responsible in relation to its Products; and/or
- i) Any other cause or reason attributable to the Direct Seller or anybody connected to the Direct Seller.

**13.3 Severability Clause/Partial Validity:** If any article/section/clause or any part thereof of this document shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining articles shall not in any way be affected or impaired thereby.

**13.4 Waiver:** The Company never gives up its right to insist on compliance with these rules or with the applicable laws governing the conduct of a business. This is true in all cases, both specifically expressed and implied, unless an officer of the Company who is authorized to bind the Company in contacts or agreements specifies in writing that the Company waives any of these provisions. In addition, any time the Company gives permission for a breach of the rules, that permission does not extend to future breaches. This clause deals with the concept of "waiver," and the parties agree that the Company does not waive any of its rights under any circumstances short of the written confirmation alluded to above.

**13.5 Non-Competition:** For a term of one (1) year after sale, transfer or termination of the E Biotorium Distributorship, a Direct Seller agrees that he shall not, directly or indirectly, disrupt, damage, impair or interfere with the business of the Company within India, whether by way of interfering with, or raiding its employees or Direct Sellers, disrupting its relationship with customers, agents, representatives, Direct Sellers, suppliers, vendors or manufacturers or otherwise. "Disrupting" or "interfering" include, but are not limited to, direct or indirect solicitation or recruitment for other direct selling business opportunities or products or services of other direct selling companies, spreading of unfounded rumors about the Company and/or its Products, engaging in negative propaganda in any forum or media in any manner, in relation to the Company and/or its Products and similar other acts and deeds of the E Biotorium Direct Seller or anybody connected the E Biotorium Direct.

- 13.6 Subpoenas Duces Tecum (Demands for Records):** Assuming proper jurisdiction, the Company will comply with all subpoenas duces tecum demanding financial compensation records of a Direct Seller in his capacity as an independent contractor with the Company.
- 13.7 Request for Records:** The Company will comply fully with all requests for records accompanied by a properly prepared and signed authorization by the person whose records are being sought. The Company will comply fully with all requests for records by India Government agencies with the authority to request such records and accompanied by the requisite legal documentation.
- 13.8 Arbitration, Governing Law & Jurisdiction:** Any dispute arising out of this Agreement or in any manner touching upon it, the same shall be settled through arbitration under Arbitration and Conciliation Act 1996 with all statutory amendments, by a sole arbitrator to be appointed by a Director of the Company, who may be specifically authorized by the Board of Directors of the Company in this regard. The venue of arbitration shall be Bangalore. These rules are reasonably related to the laws of the India and shall be governed in all respects thereby. The parties agree that courts at Bangalore alone shall have exclusive jurisdiction. Provided however, in case the Company shifts its registered office from City of Bangalore to any other city in a different State, the courts at that city where the registered office of the Company is situated alone shall have exclusive jurisdiction.

## SECTION 14: E BIOTORIUM REFUND POLICY & WARRANTY

E Biotorium is proud of the quality of the Product it sells and stand fully committed to support its DirectSeller and Customer who purchase E Biotorium Products for self-use or further sales.

Company does not provide any warranty and/or guarantee and/or refund and/or replacement and/or return of whatsoever nature of its products, if the same are purchased through the pickup center, company premises or authorised distribution channels spread throughout the country, after due verification.

The nature of the products of the company is such that it does not remain "Currently Marketable" from the health point of view, if the same is unpacked or used even for some time.

- 14.1 Money Back Guarantee:** E Biotorium Offer 100% money back Guarantee to every Direct Seller, Preferred Customer or customer to return 'Currently Marketable' E Biotorium Product, which can be exercised within a period of three (3) days from the date of such purchase. "Currently Marketable" Product would mean Products which are unpacked, unused, not damaged and marketable, are not seasonal, discontinued or special promotion offer Products.
- 14.2 2 days Cooling Off period:** E Biotorium also offer to its Direct Seller a two (2) days cooling off period from the date of his/her joining, within which the Direct Seller may cancel the contract without being subject to any penalty and seek refund for any Product purchased within such time upon returning such Product in "Currently Marketable" Condition. For the clarification of doubt, E Biotorium do not charge any penalty on any Direct Seller terminating this contract even after the cooling off period.
- 14.3 Return of unsold inventory or Sales Aid:** If a Direct Seller has purchased some product as part of his reasonable inventory or sales aid kit and he chooses to cancel his/her contract with E Biotorium, he/she will be entitled to return any such unsold Inventory or Sales aid kit purchased by him/her within 30 days prior to the date of cancellation, provided the same are in marketable condition. Company shall deduct a sum up to 10% of the original invoiced price of such returned products as handling charges.
- 14.4 Procedure to seek Refund:** Any Direct Seller or Preferred Customer or Customer may seek refund by submitting to company's office the Product purchased by him, which are in marketable condition, along with purchase invoice, within three (3) days from the date of such purchase.

**14.4.1** Such a person may also courier the Product to the Company office.  
E Biotorium Network Private Ltd.

E-Biotorium house, plot no. B1/1, MIDC Industrial area,  
Mira goan, near Amar palace hotel,  
Opp. A P college and A P Gym, Mira road east,  
Mumbai District Thane, Maharashtra India Pin code 401107.

The product should be duly packed and be received by the company in undamaged and marketable condition.

**14.4.2** The Company shall process the refund within 10 business days.

**14.4.3** Any commission paid on such returned product will be reversed and be charged back from the recipients of such commission.

**14.5** Reversal of Sales Margin Benefit and Recovery:

The Company is entitled to reverse any sales benefit, sales margin or any other entitlement or benefit paid or payable or accrued on Products which has been returned for any reason.

Any benefit or margin already paid shall be recovered by adjusting the same from any payment that is due or may become payable by E Biotorium to such recipient. In the event no Direct Seller margin is available for adjustment, the E Biotorium Direct Seller, who has received the margin shall repay the same for such "reversed sale" within 7 days of the Company providing him/ her notice to repay.

**14.6** Warranty:

**14.6.1** E Biotorium warrants to the original purchaser that the product (the "product"), will be free from defective workmanship and materials, and agrees that it will, at its option, either repair or replace the defective product or part thereof with a new or remanufactured equivalent at no charge to the purchaser within Seven days of the purchase of the product.

**14.6.2** To the maximum extent permitted by law, this warranty does not apply to any optional item(s) set forth below nor to any product which is unpacked and used for some time or the exterior of which has been damaged or defaced or which has been altered or modified in design or construction.

**14.6.3** In order to enforce the rights under this limited warranty, the purchaser should provide proof of purchase to E Biotorium.

**14.6.4** To the maximum extent permitted by law, all implied warranties including the warranties of merchantability are limited for the period of seven days from the date of purchase.

Neither the sales personnel of the seller nor any other person is authorized to make any warranties or to extend the duration of any warranties beyond the time period described herein on behalf of E Biotorium. The warranties described herein shall be granted by E Biotorium and, to the maximum extent permitted by law, shall be the sole and exclusive remedy available to the purchaser.

To the maximum extent permitted by law, correction of defects, in the manner and for the period of time described herein, shall constitute full satisfaction of all claims, whether based on contract, negligence, strict liability or otherwise.

This limited warranty covers products purchased within India. Please note that all shipping charges must be paid for by the customer.

**14.6.5** Certain legislation may imply warranties or conditions or impose obligations which cannot be excluded, restricted or modified except to a limited extent. Notwithstanding any other provision of this warranty document, this warranty document must be read subject to those statutory provisions. If those statutory provisions apply, notwithstanding any other provision of this Agreement, to the extent to which E Biotorium is entitled to do so, E Biotorium limits its liability in respect of any claim to the replacement of the goods or the supply of equivalent goods; sold by E Biotorium Network Private Ltd.