

DIRECT SELLER E-CONTRACT AGREEMENT

This agreement is agreed and accepted electronically & online by and between the executing parties (hereinafter mentioned and referred to as Direct Seller and the Direct Selling entity, the expressions shall mean and include their respective legal heirs, assigns, successors, administrators and undertakers).

Be known that this Contract agreement is executed and entered into in accordance with the provision of the Indian Contract Act, 1872 and Consumer Protection (Direct Selling) Rules, 2021 read with Consumer Protection (Direct Selling) (Amendment) Rules, 2023 (hereinafter referred to as the Rules).

WHEREAS the Direct Seller has voluntarily out of his/her own accord, sweet will and without any coercion whatsoever, mental or physical, offered to join the Direct Selling Network Business of the Direct Selling Entity named AAD Ecommerce and Tech Solutions Limited (registered under the Companies Act, 2013) having Corporate Identification Number U52609JH2022PLC018297 and registered office at Shop No. 3 and 4, at Sai Vatika, Sri Sai City, Pundag, Ranchi, Jharkhand-834007 India

AND WHEREAS the Direct Selling Entity is engaged in “Direct selling business” which means marketing, distribution and sale of goods and providing services through a network of Direct sellers at multi-levels as per the prescribed Business/Compensation Plan (which may be read as part and parcel of this agreement as the same is not being reproduced here for the sake of brevity) not falling under the Pyramid or Money circulation scheme.

AND WHEREAS the Direct seller, named below along with his/her KYC particulars has, after being explained all provisions of the said Business/Compensation Plan, product details and the present E-contract Agreement by Shri/Smt./Miss/M/s _____, ID No. _____, duly ascertained and satisfied by visiting the Direct Selling entity's website <https://aadsworld.com> has voluntarily offered to join the business of the Direct selling entity and resolved to enter into this E-contract agreement, hence this deed.

DEFINITIONS

1. **"Company"** means AAD Ecommerce and Tech Solutions Limited.
2. **"Act"** means the Consumer Protection Act, 2019.
3. **"Direct selling entity"** means the principal entity which sells or offers to sell goods or services directly through a network of sellers, but does not include an entity which is engaged in a Pyramid Scheme or money circulation scheme.
4. **"Direct seller"** means a person authorized by a direct selling entity through a legally enforceable written contract to undertake direct selling business on principal-to-principal basis.
5. **"Network of sellers"** means a network of direct sellers formed by a direct selling entity to sell goods or services for the purpose of receiving consideration solely from such sale.
6. **"Prospect"** means a person to whom an offer or a proposal is made by a direct seller to join a direct selling entity.
7. **"Saleable"** in relation to goods or services, means unused and marketable goods or services which have not expired, and which are not seasonal, discontinued or used for special promotion.

8. **"Cooling-off period"** means a period of time given to a participant to cancel the agreement he has entered into for participating in the direct selling business without resulting in any breach of contract or levy of penalty.
9. **"Mis-selling"** means selling a product or service by misrepresenting in order to successfully complete as ale and includes providing consumers with misleading information about a product or service or omitting key information about a product or providing information that makes the product appear to be something it is not.
10. **"Money circulation scheme"** means the schemes defined in clause (c) of section 2 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978.
11. **"Pyramid Scheme"** means a multi layered network of subscribers to a scheme formed by subscribers enrolling one or more subscribers in order to receive any benefit, directly or indirectly, as a result of enrolment or action or performance of additional subscribers to the scheme, in which the subscribers enrolling further subscribers occupy a higher position and the enrolled subscribers a lower position, resulting in a multi-layered network of subscribers with successive enrolments.
12. **"Sensitive personal data"** means the sensitive data or information as specified from time to time under section 43A of the Information Technology Act, 2000.
13. **"State"** includes a Union territory.

NOW THIS AGREEMENT WITNESSETH AS UNDER:

GENERAL TERMS AND CONDITIONS

1. The Direct selling entity hereby declares that the entity runs its business in line with the Consumer Protection Act, 2019, Consumer Protection

(Direct Selling) Rules, 2021, Legal Metrology Act, 2009, Consumer Protection (E-Commerce) Rules, 2020 and all other Rules and laws applicable to an Indian Direct Selling Entity.

2. The Direct selling entity assures and the Direct Seller agrees that this E-contract agreement has no provision that the Direct Seller will charge any entry fee or subscription fee or receive any remuneration or incentive for the enrolment/ recruitment of any new participants.
3. The Direct selling entity assures and the Direct Seller agrees that it does not require a participant to purchase goods or services for an amount that exceeds the amount for which such goods or services can be expected to be sold or resold to consumers.
4. The Direct selling entity assures and the Direct Seller agrees that it does not require a participant to pay any entry/registration fee, cost of sales demonstration equipment and materials or other fees relating to participation in the direct selling entity's business.
5. There is no compulsion on any participant to buy the products or promote the same. If the participant buys the product willingly and is interested in promoting the same then the Direct Selling Entity shall provide the participant with the product on payment of the prescribed price of the product.
6. The direct seller shall duly fill every column of the application form online and upload self-attested KYC documents.

7. The direct seller shall accept the terms and conditions of this E-contract agreement by clicking on the “I AGREE AND ACCEPT” button.
8. On completion of the above process, the Direct Seller can take a printout of this agreement.
9. Upon the execution of this agreement and after the verification of all the KYC documents uploaded through the above process, an applicant shall be accepted as a Direct seller of the Direct selling entity’s business and a Unique Identification Number and password shall be allotted to the applicant, to allow him/ her to log on to access his/her own personal account maintained by the Direct Selling Entity on its website.
10. That the Direct Seller shall submit the following self-attested documents in hard copy to the Direct selling entity within TEN (10) days from the date of execution of this agreement (Including the acceptance of terms of this agreement) already accepted and agreed upon by clicking on “I AGREE AND ACCEPT” button.
11. That the Direct Selling entity upon scrutiny and verification of the application and KYC particulars may reconsider its decision and reject the application of the Direct Seller herein, to which the Direct Seller hereby agrees. The Direct selling entity shall have sole discretion and shall be at liberty to reject his/her direct selling unique ID number if KYC and other documents in hard copy are found unsatisfactory or mollified, forged or not confirming to Government guidelines prescribed for this purpose.

12. That the KYC shall include as follows, duly issued by the Government of India or a state/UT government.

- i. Permanent Account Number (PAN) mandatory in all cases
- ii. Adhaar card
- iii. Voter ID card
- iv. Passport
- v. Any other identity document issued by the state/ UT or central government which can be verified online.
- vi. Additional documents required for Applicant in case of a Company or firm:
 - a) Corporate Identification Number (CIN), Memorandum of Association (MOA), Article of Association (AOA) or Partnership Deed as the case may be.
 - b) Goods and Services Tax Identification Number (GSTIN), Food Safety and Standards Authority of India (FSSAI) (wherever applicable)
 - c) List of Directors/Partners of the applicant entity
 - d) Board Resolution/Authorization in favour of the Director/ Partner signing and executing this E-contract agreement and application.

13. The Direct seller herein declares that he/she/they has/have not been declared bankrupt by a competent court of law as provided under clause (3) of section 79 of the Insolvency and Bankruptcy Code, 2016 and that he/she is neither in litigation nor convicted by any court of law in

preceding five years of the date of joining the Direct Selling Entity's business herein.

14. The Direct selling entity will provide all support to the Direct Seller in the delivery of the products through Franchisee/ Pick-up centres/ available courier/ transport or any other Logistics Service to maintain an effective support system.
15. The Direct Selling Entity shall issue photo identity cards to Direct Seller. This photo identity card shall be returned by the Direct Seller to the Direct Selling Entity at the expiry/termination/revocation of the agreement and shall be destroyed.
16. The Direct seller will not be authorized to collect any type of cash/cheque/demand draft in his/her name, on behalf of the Direct selling entity. All cheques/ demand drafts etc. should be drawn in the name of the Direct selling entity only and the same should be deposited with the Direct selling entity's office or other offices as may be specified by the Direct selling entity, within 24 hours of the time of receipt. A direct seller shall hold the said cash collection /cheque/demand draft in trust for and on behalf of the direct selling entity. Upon failure to deposit the said cash collection /cheque/demand draft, the Direct seller shall be liable to pay damages/ Compensation and mense-profit, if any. The receipt /invoice issued by the Direct selling entity only would be valid documentary evidence in the hand of the consumer. It means the Direct seller would not be authorized to issue any receipt/invoice on behalf of the Direct selling entity.

17. The Direct selling entity may open the following facilities for the sale of its products:
- i. Online portal/ E-commerce
 - ii. Stores (Retail Outlets)
 - iii. Authorized sales Point/Pickup Centre
18. The Direct selling entity does not require a Direct seller to maintain an office or establishment in furtherance of his/her entrepreneurship and if a Direct seller does so then he/she himself/herself will be responsible to bear such expenses and the Direct selling entity will no way be responsible to refund or reimburse the same.
19. The Direct sellers cannot conduct or announce personal-level business promotion activities by offering cash rewards, trips, valuables etc.
20. Any notice or correspondence(s)/ addressed and sent to the Direct seller's registered address, e-mail ID and mobile number mentioned in the application form for registration as a Direct seller by registered post or courier service or e-mail or WhatsApp message shall be construed as legally delivered to the addressee. However, every Direct seller should immediately inform the Direct selling entity about the change in his/ her address, e-mail and mobile number failing which the Direct seller's non-deliverance claim shall not be tenable at any cost whatsoever.
21. The direct seller shall be faithful to the Direct Selling Entity and its co-distributors and shall uphold the decorum of the Direct Selling Entity and maintain a good relationship with the co-distributor and clients.

22. The Direct Seller shall at the initiation of a sales representation, without request, truthfully and clearly identify themselves, the identity of the Direct Selling Entity, the nature of the goods or services sold and the purpose of the solicitation to the prospective consumer;
23. The Direct Seller shall offer a prospective consumer accurate and complete explanations and demonstrations of goods and services, prices, credit terms, terms of payment, return policies, terms of the guarantee and after-sale service;
24. A direct seller shall keep a proper book of accounts stating the details of the products, price, tax and quantity and such other details in respect of the goods sold by him/her in such form as per applicable law.
25. The Login ID has to be quoted by the Direct Seller in all his/her transactions and correspondence with the Direct Selling Entity.
26. The Login ID once allotted cannot be altered at any later point of time. The Direct Selling Entity will not entertain without a Login ID.
27. The processing charges and any other applicable charges will be deducted as per the Direct Selling Entity's norms.
28. The direct seller undertakes to adhere to policies, procedures, rules and regulations formed by the Direct Selling Entity from time to time.

29. The Direct Selling Entity reserve the right to modify the terms and conditions, products, plan, business and policies with/without giving prior notice. Such notice may be published through the official website of the Direct Selling Entity and any such modification/amendment shall be applicable and binding onto the Direct Seller from the date of such notice.
30. In case of death or loss of contractual capacity of Direct Seller, his/her nominee or legal heir shall become the Direct Seller of the Direct Selling Entity and he/she shall also abide by all rules and regulations, terms and conditions etc. in the same manner as original Direct Seller was being abide/supposed to abide.
31. The direct seller shall comply with all state and central government and local governing body laws, regulations and codes that apply to the operation of their Team Business.
32. The Direct selling entity shall be the exclusive owner of the name and logo of the Direct Selling entity. The Direct Seller shall not use the trademark, logotype or design anywhere without permission from the Direct selling entity. This permission, if given, can be withdrawn at any time by the Direct selling entity. The violations, if any, shall be termed as violations of this agreement and may result in termination of this agreement and Direct Seller-ship of the Direct seller, penal actions under the prevailing Intellectual property rights (IPR) laws and Rules at the sole discretion of the entity herein to which the Direct seller herein agree.

33. All arrangements, expenses, permission from local authorities, complying with rules of central and state government and local bodies are the responsibility of the Direct Seller for meetings and seminars conducted by the Direct Seller.
34. The direct seller shall not manipulate the Direct Selling Entity's marketing plan or products rate, Business Value (BV) etc. in any way.
35. The Direct Selling Entity shall monitor the value of the purchases of all its Direct Sellers on a monthly basis and once the purchase value crosses the Goods and Services Tax (GST) threshold, the Direct Selling Entity shall intimate the Direct Sellers to pay the Goods and Services Tax (GST).
36. The direct seller is personally liable to pay the Goods and Services Tax (GST) and other taxes as applicable by the Indian Law to the concerned authority and shall not claim the same from the Direct Selling Entity under any circumstances.
37. It is mandatory for every direct seller to provide their KYC details to the Direct Selling Entity.
38. The direct seller and/or any other person are strictly prohibited from using Business Promotion Material other than Business Promotion Material developed and/or authorized to develop by the Direct Selling Entity.

39. The Direct seller shall abide by policies, procedures, rules and regulations prescribed by the direct selling entity as well as all laws, rules, regulations, directives and guidelines issued by the government of India, a state government, a local body, a court of Law and local administration, from time to time. A Direct seller will also not indulge in any deceptive or unlawful trade practices such as Mis-selling or Unfair trade practices as mentioned in clauses 3 (f, g and i) as defined in the Consumer Protection (Direct Selling) Rules, 2021 and clauses 2(1), (18), (20), (41) to (43) and (47) of the Consumer Protection Act, 2019 and if does so then he/ she shall be only and solely responsible for the consequences and perils thereof.

40. The Direct Selling Entity's unique business plan enables the masses to gain through an interconnected system and in no way indulges in money circulation. Hence if any Distributors found propagating such a thing, then he/she shall be removed from Distributorship with immediate effect and all the losses from his/her behaviour shall have to be bounced by him/her.

41. All Consumers/ Direct Sellers before ordering online or making the payment are advised to check physically the product availability at our locations, as such the images shown on the Direct Selling Entity's website/ printed materials or through, any other mode by the Direct Selling Entity are only for reference and the actual product may vary.

42. The Direct Seller shall enjoy the following privileges:

- i. Distributorship is awarded without any commitment or promise from the Direct Selling Entity in terms of possible earning potential.

- ii. No territorial restriction to the sale the goods/products.
- iii. Incentive for affecting the sale of goods/products of the Direct Selling Entity as per marketing plan.
- iv. There shall be no specific targets; however, earnings of the Direct Seller shall be in proportion to the volume of sales done by the Direct Seller by self or through team as per the marketing plan of the Direct Selling Entity.

43. The direct selling entity ensures that all its direct sellers have verified identities and physical addresses and the direct selling entity issue identity cards and documents only to such direct sellers.

44. The direct selling entity creates adequate safeguards to ensure that goods and services offered by its direct sellers conform to applicable laws.

45. The direct selling entity shall store sensitive personal data within the jurisdiction of India, by the applicable law for the time being in force and shall take appropriate steps to ensure the protection of such data provided by a consumer and also ensure adequate safeguards to prevent access or misuse of such data by any unauthorized person.

46. The direct selling entity shall ensure to establish a mechanism for filing of complaints by consumers through its offices or branches or direct sellers, either in person or through post, telephone, e-mail or website.

- 47.If direct seller wishes to bring any grievance to the notice of the direct selling entity he can do so as per the “Grievance Redressal Mechanism”.
48. The direct selling entity shall not adopt any unfair trade practice in the course of its business or otherwise and shall abide by the requirements specified in any law for the time being in force.
- 49.The direct selling entity shall, on the request in writing made by a consumer after the purchase of any goods or services, provide him with the information regarding any direct seller from whom such consumer has made a purchase, and such information shall include the name, address, e-mail, contact number and any other information which is necessary for making communication with such direct seller for effective dispute resolution.
50. The direct selling entity shall ensure that the advertisements for marketing of goods or services are consistent with the actual characteristics, access and usage conditions of such goods or services.
- 51.The direct selling entity shall not, directly or indirectly, falsely represent itself as a consumer and post reviews about its goods or services or misrepresent the quality or features of any of its goods or services.
52. The direct selling entity which explicitly or implicitly vouches for the authenticity of the goods or services sold, or guarantees that such goods

or services are authentic, shall bear the liability in any action related to the authenticity of such goods or services.

53. Notwithstanding the distribution system adopted by it, a direct selling entity shall monitor the practices adopted by its direct sellers and ensure compliance with these rules by means of legally binding contract with such direct sellers.

DUTIES OF DIRECT SELLING ENTITY AND DIRECT SELLER

54. The Direct selling entity assures and the Direct Seller agrees that the terms of the offer will be clear, to enable the consumer to know the exact nature of the offer being made and the commitment involved in placing any order.

55. The Direct selling entity assures and the Direct Seller agrees that the presentations and other representations used in direct selling shall not contain any product description, claim, illustration or other elements which, directly or by implication, are likely to mislead the consumer.

56. The Direct selling entity assures and the Direct Seller agrees that the explanation and demonstration of the goods or services offered are accurate and complete, particularly about price and, if applicable, to credit conditions, terms of payment, cooling-off periods or right to return, terms of the guarantee, after-sales service and delivery.

57. The Direct selling entity assures and the Direct Seller agrees that the descriptions, claims, illustrations or other elements relating to verifiable facts are capable of substantiation.

58. The Direct selling entity assures and the Direct Seller agrees that any misleading, deceptive or unfair trade practices will not be used.
59. The Direct selling entity assures and the Direct Seller agrees that direct selling will not be represented to the consumer as being a form of market research.
60. The Direct selling entity assures and the Direct Seller agrees that the promotional literature, advertisement or mail contains the name and address or telephone number of the direct selling entity, and includes the mobile number of the direct seller.
61. The Direct selling entity assures and the Direct Seller agrees that the direct selling shall not state or imply that a guarantee, warranty or other expression having substantially the same meaning, offers to the consumer any rights in addition to those provided by law when it does not.
62. The Direct selling entity assures and the Direct Seller agrees that the terms of any guarantee or warranty, including the name and address of the guarantor, shall be easily available to the consumer and limitations on consumer rights or remedies, where permitted by law, shall be clear and conspicuous.
63. The Direct selling entity assures and the Direct Seller agrees that the remedial action open to the consumer shall be clearly set out in the

order form or other accompanying literature provided with the goods or service.

64. The Direct selling entity assures and the Direct Seller agrees that the presentation of the offer will not contain or refer to any testimonial, endorsement or supportive documentation unless it is genuine, verifiable and relevant.

65. The Direct selling entity assures and the Direct Seller agrees that when after-sales service is offered, details of the service are included in the guarantee or stated elsewhere in the offer and if the consumer accepts the offer, information shall be given on how the consumer can activate the service and communicate with the service agent.

66. The Direct selling entity assures and the Direct Seller agrees that products, including samples (if any), are suitably packaged for delivery to the consumer and possible return, in compliance with the appropriate health and safety standards.

67. The Direct selling entity assures and the Direct Seller agrees that orders shall be fulfilled within the delivery date proposed to the consumer at the time of purchase unless otherwise contained in the order form and the consumer shall be informed of any undue delay as soon as it becomes apparent or comes within the knowledge of the direct selling entity or the concerned direct seller.

68. The Direct selling entity assures and the Direct Seller agrees that in case of delay of the delivery of the order any request for cancellation of the

order by the consumer shall be granted, irrespective of whether the consumer has been informed of the delay.

69. The Direct selling entity assures and the Direct Seller agrees that in case of delay of the delivery of order when cancellation is granted, the deposit (if any) shall be refunded as per the cancellation terms proposed to the consumer at the time of purchase.

70. The Direct selling entity assures and the Direct Seller agrees that in case of delay of the delivery of the order when cancellation is granted if it is not possible to prevent delivery, the consumer shall be informed of the right to return the product at the direct selling Direct Selling Entity's cost as per the procedure for the return of the goods proposed to the consumer at the time of purchase.

71. The Direct selling entity assures and the Direct Seller agrees that the right of return offered by that direct selling entity shall be in writing in the form of a "Return, Refund and Repurchase Policy".

72. The Direct selling entity assures and the Direct Seller agrees that whether payment for the offer is on an immediate sale or instalment basis, the price and terms of payment shall be clearly stated in the offer together with the nature of any additional charges such as postage, handling and taxes and, whenever possible, the amounts of such charges.

73. The Direct selling entity assures and the Direct Seller agrees that in the case of sales by instalment, the credit terms, including the amount of any deposit or payment on account, the number, amount and periodicity of such instalments and the total price compared with the immediate selling price, if any, shall be clearly shown in the offer.
74. The Direct selling entity assures and the Direct Seller agrees that any information needed by the consumer to understand the cost, interest and terms of any other form of credit is provided either in the offer or when the credit is offered.
75. The Direct selling entity assures and the Direct Seller agrees that unless the duration of the offer and the price are clearly stated in the offer, prices shall be maintained for a reasonable time.
76. The Direct selling entity assures and the Direct Seller agrees that the procedure for payment and debt collection shall be determined in writing before any contract is signed and it shall be such as to avoid undue inconvenience to the consumer, making due allowance for delay(s) outside the consumer's control.
77. The Direct selling entity assures and the Direct Seller agrees that both parties shall not indulge in fraudulent activities or sales and shall take reasonable steps to ensure that participants do not indulge in false or misleading representations or any other form of fraud, coercion, harassment, or unconscionable or unlawful means.

78. The Direct selling entity assures and the Direct Seller agrees that both parties shall not engage in, or cause or permit, any conduct that is misleading or likely to mislead about any material particulars relating to its direct selling business, or to the goods or services being sold by itself or by the direct seller.
79. The Direct selling entity assures and the Direct Seller agrees that both parties shall not indulge in mis-selling of products or services to consumers.
80. The Direct selling entity assures and the Direct Seller agrees that both parties shall not use, or cause or permit to be used, any fraudulent, coercive, unconscionable or unlawful means, or cause harassment, for promoting its direct selling business, or for sale of its goods or services.
81. The Direct selling entity assures and the Direct Seller agrees that both parties shall not refuse to take back spurious goods or deficient services and refund the consideration paid for goods and services provided.
82. The Direct selling entity assures and the Direct Seller agrees that both parties shall comply with the requirements of all relevant laws, including payment of taxes and deductions thereunder.
83. The Direct selling entity assures and the Direct Seller agrees that both parties shall not induce consumers to make a purchase based upon the representation that they can reduce or recover the price by referring prospective customers to the direct sellers for similar purchases.

OBLIGATIONS OF DIRECT SELLER

84. The Direct seller shall market, distribute and sell the products of the direct selling entity using word of mouth publicity, display and demonstrate of the product, distribution of pamphlets and door to door selling to consumers and prospective direct sellers.
85. The Direct Seller agrees that he/she shall have a prior written contract with the direct selling entity for undertaking the sale of, or offer to sell, any goods or services.
86. The Direct Seller agrees that he/she shall at the initiation of any sale representation, truthfully and clearly identify himself/ herself, disclose the identity of the direct selling entity, the address of place of business, the nature of goods or services sold and the purpose of such solicitation to the prospect.
87. The Direct Seller agrees that he/she shall make an offer to the prospect providing accurate and complete information, demonstration of goods and services, prices, credit terms, terms of payment, return, exchange, refund policy, return policy, terms of guarantee and after-sale service.
88. The Direct Seller agrees that he/she shall provide an order form to the consumer at or before the time of the initial sale, which shall identify the direct selling entity and the direct seller and shall contain the -

a) Name

- b) Address
- c) Registration number or enrolment number
- d) Identity proof and contact number of the direct seller
- e) Complete description of the goods or services to be supplied
- f) The country of origin of the goods
- g) The order date
- h) The total amount to be paid by the consumer
- i) The time and place for inspection of the sample and delivery of goods
- j) Consumer's rights to cancel the order or to return the product in saleable condition and avail full refund on sums paid and
- k) Complete details regarding the complaint redressal mechanism of the direct selling entity.

89. The Direct Seller agrees that he/she shall obtain goods and service tax registration, Permanent Account Number registration, all applicable trade registrations and licenses and comply with the requirements of applicable laws, rules and regulations for the sale of a product.

90. The Direct Seller agrees that he/she shall ensure that the actual product delivered to the buyer matches with the description of the product given.

91. The Direct Seller agrees that he/she shall take appropriate steps to ensure the protection of all sensitive personal information provided by the consumer by the applicable laws for the time being in force and ensure adequate safeguards to prevent access to or misuse of, data by unauthorized persons.

92. The Direct Seller agrees that he/she shall not visit a consumer's premises without an identity card and prior appointment or approval.

93. The Direct Seller agrees that he/she shall not provide any literature to a prospect, which has not been approved by the direct selling entity.

94. The Direct Seller agrees that he/she shall not require a prospect to purchase any literature or sales demonstration equipment.

95. The Direct Seller agrees that he/she shall not in pursuance of a sale; make any claim that is not consistent with claims authorized by the direct selling entity.

PERSONS NOT TO BE ENGAGED IN THE BUSINESS OF DIRECT SELLING

96. The Direct selling entity assures and the Direct Seller agrees that no person who is convicted, or bankrupt during the last five years prior to his association with the business of direct selling, or a person of unsound mind, shall be engaged in the business of direct selling.

***Explanation:** For the purpose of this rule, the term '**Bankrupt**' shall have the same meaning as assigned to it in clause (3) of section 79 of the Insolvency and Bankruptcy Code, 2016.*

APPLICATION OF E-COMMERCE RULES

97. The Direct selling entity assures and the Direct Seller agrees that both parties using e-commerce platforms for sale shall comply with the requirements of the Consumer Protection (e-Commerce) Rules, 2020.

PROHIBITION OF PYRAMID SCHEME AND MONEY CIRCULATION SCHEME

98. The Direct selling entity assures and the Direct Seller agrees that both parties shall not promote a Pyramid Scheme enrol any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business.

99. The Direct selling entity assures and the Direct Seller agrees that both parties shall not participate in the money circulation scheme in the garb of doing direct selling business.

INCONSISTENCIES IN LAWS

100. Where any regulation made under the Reserve Bank of India Act, 1934 applies to a direct selling entity governed under Consumer Protection (Direct Selling) Rules, 2021, the provisions of such regulations shall prevail over the provisions of Consumer Protection (Direct Selling) Rules, 2021, as amended from time to time, to the extent of the inconsistency.

GENERAL PROHIBITION FOR DIRECT SELLERS

101. The Direct Seller needs to be above 18 years of age.

102. The Direct Seller shall not have more than one Login ID on the same PAN Number. If found more than one login ID on the same PAN, such ID shall be cancelled without prior intimation.
103. The Direct Seller hereby undertakes not to compel or induce or mislead any person with any false statement/ promise to purchase products from the Direct Selling Entity or to become the Direct Seller of the Direct Selling Entity.
104. The Direct Seller or his/her relatives (relative means dependent son or daughter, father/ mother, spouse) shall not engage in any activities of Multi-Level Marketing of any other entity. If it is found then such Direct Seller shall be terminated.
105. The Direct Seller is prohibited from listing, marketing, advertising, promoting, discussing, or selling any product or business opportunity on any website or online forum that offers like auction as a mode of selling.
106. The Direct seller is not authorized to sell any product of the direct selling entity herein on e-commerce platform/ marketplace, without prior written consent, permission or authorization of the entity herein.
107. Once a distributorship is terminated, he cannot enter into any of the Direct Selling Entity premises/meeting locations and his facilitation fee/his name would be removed and he would not be entitled to receive any fees going forward immediately.

108. The Direct Seller cannot make any factual representation to a prospective Direct Seller that cannot be verified or make any promise that cannot be fulfilled;
109. The Direct Seller cannot present any advantages of direct selling business to any prospective Direct Seller in a false and / or a deceptive manner.
110. The Direct Seller is an independent contractor, and nothing contained in this Agreement shall be construed to
- i. give either party the power to direct and control the day-to-day activities of the other,
 - ii. constitute the parties as partners, joint ventures, co-owners or otherwise, or
 - iii. allow the direct seller to create or assume any obligation on behalf of the Direct Selling Entity for any purpose whatsoever.
111. The direct seller is not an employee of the Direct Selling Entity and is not entitled to any employee benefits.
112. The direct seller understands that it is an independently owned business entity and this agreement does not make it, Direct selling employee, associate or agent or legal representative for any purpose whatsoever. The Direct seller does not possess any express or implied right or authority to assume or to undertake any obligation in respect of or on behalf of or in the name of Direct selling entity or to bind the Direct selling entity in any manner whatsoever then he/ she shall be

responsible for all type of consequences be it financial, statutory, civil or criminal.

REMUNERATION BENEFITS FOR DIRECT SELLER

113. All payments and transactions shall be valued in Indian Rupees (INR).
114. The Direct Seller will not receive any remuneration or incentives for the recruitment/ enrolment of new Direct Sellers.
115. The Direct Selling Entity shall pay the Direct Seller Level Income, Matching Income, Silver Rank, Gold Rank, Smart Rank etc. at such rate as may be communicated by the Direct Selling Entity in writing to the Direct Seller. This commission will be subjected to the relevant taxes as applicable. The Direct Seller entity reserves its right to revise the rate of bonus, incentives and allowances from time to time and the same shall be communicated to the direct seller by the Direct Selling Entity through the official website.
116. The Direct seller will get specified percentage/ points-based incentives pertaining to the sales for selling the direct selling entity's products directly or indirectly under this E-contract Agreement.
117. The bonus, incentives and allowances shall apply to all sales orders from consumers solicited by Direct Seller. No bonuses, incentives and allowances shall be paid on orders solicited directly by the Direct Selling Entity within the territory.

SUSPENSION, REVOCATION OR TERMINATION OF AGREEMENT

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

- i. The Direct seller shall not represent the direct selling entity in any of its dealings.
- ii. The Direct seller shall not intentionally or otherwise commit any act(s) as would keep third party to believe that the Direct selling agreement with the Direct seller.
- iii. The Direct seller shall stop using the direct selling entity's name, trademark, logo etc. in any audio or visual form.
- iv. All obligation and liabilities of such direct seller to the direct selling entity existing on the date having accrued during the validity of this agreement will have to fulfilled, met and satisfied by direct seller in every manner whatsoever.

119. The direct selling entity may terminate the Agreement for any reason not limited to:

- ◆ Pursuant to the provision to be marketing plan.
- ◆ Any unethical and pre judicial work to the interest of the Direct Selling Entity.
- ◆ For the breach of any terms and conditions of this agreement and marketing plan.
- ◆ Information given by Direct Seller found wrong/false.
- ◆ Is convicted an offence punishable by a prison term.
- ◆ Is declared bankrupt or insolvent.
- ◆ Is not mentally sound to handle the business.

- ◆ Is found to be non-complying with the provision of E-commerce Rules, 2020
- ◆ Is found to be violating the taxation laws or any other law, in force.
- ◆ Is found to have embezzlement of cash/ Cheque/ Demand draft (DD) which is received by the customer on behalf of the Direct Selling Entity.

120. The Direct selling entity reserves the rights to suspend the operation of this e-contract agreement, at any time, due to change in its own license conditions or upon directions from the competent government authorities. In such a situation, direct selling entity shall not be responsible for any damage or loss caused or arisen out of aforesaid action.

121. It shall be the responsibility of the Direct Seller to maintain the agreed quality of service, even during the period when the notice for surrender/termination of the agreement is pending.

122. The Direct Seller may terminate this agreement at any time by giving 30 days written notice to the Direct Selling Entity.

123. The Direct seller shall be liable to produce/ show/ explain the business/ compensation plan to the prospect as has been received by him/ her. If the Direct selling entity notices that the direct seller is working in a way not permitted/ authorized, then the direct selling entity

shall have exclusive powers to terminate or bar him/ her from the direct selling entity's business with or without giving show cause notice.

124. The Direct seller is prohibited from mentioning/ posting/ telecasting any inappropriate or defaming content about the direct selling entity, its product, etc. in any social media platforms. If he/ she does any act in contravention to this clause, then this contract agreement will be deemed terminated and the Direct selling entity reserve rights to initiate appropriate legal action against him/ her.

INDEMNIFICATION

125. The Direct seller agrees to protect, defend, indemnify and hold harmless the Direct selling entity and its employees, officers, directors, agents or representatives, from and against any and all liabilities, damages, fines, penalties and costs (including legal costs and disbursements) arising from or relating to:

- Any breach of any statute, regulation, direction, order or standards notified by any government body, agency, or regulator applicable to the Direct seller including payment and deposit of taxes; on account of Income tax, GST, Trade tax, Professional Tax, whenever applicable and required under law.
- Any breach of terms and conditions of this E-contract agreement by the direct seller.
- Any claim of any infringement of any intellectual property right or any other right of any third party or of law by the Direct seller, or

- Against all matters of embezzlement, misappropriation or misapplication of collection/ monies which may from time to time during the continuance of the Agreement come into his/ her/ its possession/ control.

RENEWAL AND AGREEMENT PERIOD

126. The Direct Seller must annually renew his/her authorization on or before the expiry period.
127. The Direct Selling Entity reserves the rights to refuse any renewal request and can revoke any Direct Seller renewal application, if in Direct Selling Entity's opinion, the Direct Seller activities have not been in accordance with the interest of Direct Selling Entity or if the Direct Seller did not comply with any of the rules, promotion, terms and conditions etc., during the twelve preceding months.
128. The Agreement of Direct Seller will automatically finish in case of non-compliance of renewal formalities.

SPECIAL CONDITION

129. Notwithstanding anything states or provided herein, the Direct Selling Entity shall have full power and discretion to modify, alter or vary the terms and condition in any manner whatsoever they think fit and shall be communicated through the official website or other mode as the Direct Selling Entity may deem fit and proper.

130. If any Direct Seller does not agree to be bound by such amendments, he/she may terminate this agreement within 30 days of such publication by giving a written notice to the Direct Selling Entity. Without submission of the objection for modification etc., if the Direct Seller continues the Direct Selling activities, then it will be deemed that he/she has accepted all modifications and amendments in the terms and conditions for the future.

FORCE MAJEURE

131. The Direct Selling Entity shall not be liable for any failure to perform its obligations where such failure has resulted due to acts of nature (including fire, flood, earthquake, storm, hurricane, or other natural disasters), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military, or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labour dispute, strike, lockout, or interruption or failure of electricity, any type of redirection by Government (Central and/or State), Local Authority etc.

RECOURSE AND LEGAL APPLICABILITY

132. If any dispute or difference arises between the parties hereto touching the business or interpretation of any terms and conditions or

any other matter shall be referred to arbitration and shall be governed by the "Arbitration and Conciliation Act, 1996".

133. If any dispute arises between the Parties in connection with or relating to these terms & conditions, including the validity, interpretation, implementation, termination, or alleged material breach of any provision thereof, the parties hereto shall endeavour to settle such dispute amicably. In the event any dispute is not amicably settled within a period of 30 (thirty) days after any party has given notice to the other parties of the existence of such dispute and requiring an amicable settlement thereof, the same shall be, at the request of party, settled by arbitration. Any arbitration in these terms & conditions shall be conducted by a sole arbitrator appointed mutually by all disputing parties, or in case of disagreement as to the appointment of the sole Arbitrator, by a panel of three (3) Arbitrators, of which the Direct Selling Entity shall appoint one (1) Arbitrator, the direct Seller shall appoint the second Arbitrator and the third Arbitrator shall be appointed by the two appointed Arbitrators. The Arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996. Each Party shall bear its own cost of arbitration. The Arbitration proceedings shall be held in Ranchi Jharkhand. The Arbitration proceeding shall be governed by the Laws of India. The Arbitrator's award shall be substantiated in writing. The Arbitrator may also award costs. Any decision of the arbitrators will be final, binding and incontestable. The parties agree that no Party shall have any right to commence or maintain any suit or legal proceedings (other than for interim or conservatory measures) until the dispute has been determined in accordance with the

arbitration procedure provided herein and then only for the enforcement of the award rendered in the arbitration. Judgment upon the arbitration award may be rendered in any court of competent jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be. The parties hereby waive any application or appeal to any court of competent jurisdiction to the fullest extent permitted by Law in connection with any question of Law arising during the course of arbitration or any award made.

134. The terms and conditions stipulated in the foregoing paragraphs shall be governed in accordance with the law in force in India. The disputes, if any shall be subject to the exclusive jurisdiction of the Courts in Ranchi Jharkhand.

SOLEMNLY AFFIRM AND DECLARE AS FOLLOWS

1. That I have read and understood the terms and conditions for the appointment of Direct Seller of the Direct Selling Entity.
2. I have also gone through the Direct Selling Entity's official website and printed materials, brochures and convinced about the business and I have applied to appoint me as a Direct Seller on my own volition.
3. I declare that I have not been given any assurance or promise or inducement by the Direct Selling Entity or its Directors regarding any fixed income incentive, prize or benefit on account of the products purchased by me.
4. I have clearly understood that eligibility for income exclusively depends on my performance in business volume as per the business plan. I further agree that Direct Selling Entity reserves the right to change the Business Plan at any point of time without any prior notice.
5. I undertake not to misguide or induce dishonestly anybody to join the Direct Selling Entity.
6. I hereby agree and adhere to the terms and conditions as stipulated along with the application form and as mentioned above to agree to purchase the product as a Consumer/to do the Direct Selling activities.
7. I am satisfied with products purchased by me from AAD Ecommerce and Tech Solutions Limited.
8. I hereby agree to submit all disputes to arbitration as provided in the terms and conditions of the Direct Selling Entity.

Required Documents to be attached as mentioned above.