

## GLOSSARY OF TERMS & DEFINITIONS

BSM: Business Support Material

Downline: Those people directly sponsored by an Independent Consultant, plus the people sponsored by these Independent Consultants, and so on.

“Business Group” refers to that Consultant and all his personally sponsored Consultants, all those Consultants sponsored by his personally sponsored Consultants and so on down to and including those who have not sponsored anyone but excluding any qualified Director in the organization under him or any Consultants in the Business Group of such qualified Directors.

“Business Entity” means any sole proprietorship firm or partnership firm joining as a Modicare Consultant.

“Consultant Contract” means the agreement setting forth the rights and duties of a Consultant, which is entered into through acceptance of Modicare Consultant Application Form inclusive of the terms and conditions, all documents listed therein such as mentioned below:

- i. Code of Ethics and Rules of Conduct
- ii. Samir Modi Azadi Plan 2.0
- iii. Social Media, Digital and Creative Content Guideline
- iv. Terms and Conditions as updated on the website
- v. Any related Entity Authorization Form
- vi. Any other document, policies updated and amended by Modicare from time to time, available on the website [www.modicare.com](http://www.modicare.com), Modicare App (IOS & Android), in the Connect Magazine and in all Leadership Meetings.

“Customer” means a non-Consultant who is an end user of products and/or services offered through or by Modicare Consultant.

“Direct selling” means marketing, distribution and sale of goods or provision of services through a network of sellers, other than through a permanent retail location.

“Entity Authorization Form” means the form required to be filled in by proprietorship or partnership firm desiring to become a consultant, which provides information about the business entity and the authorized signatories thereof.

“Line of Sponsorship” (LOS) means structural arrangement of Consultants established as a result of contractual relationship that each Consultant has with Modicare that includes all information pertaining to all or part of the Line of Sponsorship, including but not limited to Consultant’s, Modicare Consultant Application (MCA) numbers and other Consultant’s business identification data, business performance data, personal contact information and all information generated or derived there from, in its past, present or future forms.

“Mis-selling” means selling a product or service by misrepresenting in order to successfully complete a sale and includes providing consumers with misleading information about a product or service or omitting key information about a product or providing information that makes the product appear to be something it is not.

“Modicare” means Modicare Limited, a company registered under the Companies Act, 1956, having its registered office at 5, Community Centre, New Friends Colony, New Delhi - 110 025.

“Modicare Business” means all obligations, requirements, restrictions, and opportunities connected with selling Modicare Products and servicing Customers.

“Modicare Consultant/Consultant” means a person or firm that has entered a Contract with Modicare pursuant to registration with Modicare in accordance with Rule 1 of the Rules of Conduct.

“Modicare Products” means all goods and services, including literature and other support materials made available by Modicare to Consultants.

“Modicare Sales and Marketing Plan” means the plan provided in Samir Modi Azadi Plan 2.0 containing Modicare’s Marketing Plan, sponsoring procedures and guidelines, requirements, procedures and policies regarding the presentation of Modicare Products, the Modicare business and the management of Modicare organization, as amended from time to time by Modicare, and which forms an integral part of the Consultant Contract.

“Point of Sale” includes Modicare Lifestyle Centre, Modicare Success Centres, Modicare Distribution Points, Modicare website - [www.modicare.com](http://www.modicare.com) or Modicare App (IOS & Android).

“Prospect” means a potential Consultant.

“Rules of Conduct” / “Rules” shall mean these Code of Ethics & Rules of Conduct for Consultants that can be changed or modified by Modicare from time to time, as provided in these Rules.

“Sensitive Personal Data” refers to the personal data collected by the Modicare Consultant while conducting Modicare Business, from prospects (Direct Sellers & Consumers), other Modicare Consultants, Consumers and third parties, as defined under applicable law from time to time, including but not limited to Consumer Protection (Direct Selling) Rules, 2021.

“Sponsor” means a consultant who introduces an applicant to Modicare for joining as an Independent Consultant in compliance with all applicable requirements and who, in turn, is assigned by Modicare to support the recommended applicant, if the application is accepted by Modicare.

Everything that is in the singular shall include the plural, and whatever refers to the masculine shall include the feminine.

Samir Modi Azadi Plan 2.0 and Terms and Conditions stated on Modicare Consultant Application form or any other published material of Modicare forms an integral part of the Consultant’s Contract. (Hereinafter referred to as “SMAP 2.0”)

## CODE OF ETHICS TO BE FOLLOWED AND AGREED BY MODICARE CONSULTANTS

As owner of my Modicare Business, I agree to conduct my Modicare business according to the following ethical guidelines:

1. I will perform all my duties as a Modicare Consultant and maintain highest standards of conduct. I will observe and strictly always adhere to the following guidelines that are applicable to all Modicare Consultants under Samir Modi Azadi Plan 2.0.
2. I will at all times follow the Code of Ethics and the Rules of Conduct in letter as well as in spirit, and comply with and strictly adhere to the guidelines, systems, requirements, procedures, policies, terms and conditions mentioned in it.
3. I will not engage in activities that may bring disrepute to Modicare or any Modicare products/services and are detrimental to Modicare image/business.
4. I will at all times make a fair and truthful presentation of Modicare products and the sales and marketing plan, and I shall make sure to present what is approved in official Modicare publications.
5. I shall be courteous and prompt in handling of any or all claims for exchange and return and follow the procedures prescribed by Modicare from time to time in its official publication.
6. I will always carry out the responsibilities of a Modicare Consultant and that of Sponsor as detailed in official Modicare publication and not indulge in any activity, which damages any Consultant's group or business.
7. I will conduct myself in a civilized and courteous manner of the highest standard while representing Modicare to the world at large as this may have grave consequences for the Modicare Business.
8. I will only use Modicare produced and Modicare Authorized Literature and publications(transliterate) in order to carry out the Modicare Business.
9. I will not promote opportunity / product / services of other company in direct or indirect competition to Modicare. Also, I will not directly or indirectly deal with anyone from any competition companies.
10. I will not covertly or overtly undermine any of Modicare's initiatives or manipulate any Modicare's Promotions, Overseas Trips or any other activity, etc.
11. I will always follow the 3 Cardinal Rules of the Modicare Business:
  - a. Never do anything first time without checking with one's upline.
  - b. Never disrespect with anybody's spouse, Ego and Money.
  - c. Never pass any negative comments or do any activity that might damage my downlines and cross lines, thus putting the larger Modicare business at risk.
12. I will diligently keep myself updated with all the documents forming a part of the Consultant Contract and other related publications available on the Modicare Portal and as amended from time to time by Modicare.

## INTRODUCTION TO THE RULES OF CONDUCT FOR MODICARE CONSULTANTS

The Modicare Rules of Conduct define and establish certain principles to be followed in the development and maintenance of a Modicare Business and the rights, duties, and responsibilities of each Modicare Consultant.

These Rules are designed to preserve the benefits available to all the Consultants under Modicare Sales and Marketing Plan also known as the Samir Modi Azadi Plan 2.0.

Modicare and its Consultants have a binding contractual relationship. The terms and conditions of this relationship are set forth in Consultant Contract as defined above in Glossary of Terms and Definitions which is subject to amendments from time to time in conjunction with business needs and applicable laws. Modicare will notify all such amendments to the Consultant by publication on its website [www.modicare.com](http://www.modicare.com), Modicare App (IOS & Android), in the Connect Magazine and all Leadership Meetings.

All the documents forming a part of the Consultant Contract define and establish certain guidelines to be followed in the development and maintenance of a Modicare Business and the rights, duties, and responsibilities of each Modicare Consultant.

You shall indemnify Modicare from and against all actions, claims, demands, prosecutions, penalties including costs thereof and not excluding Modicare's legal costs which might be made or brought against Modicare in respect of or arising out of breach, infringement or infraction of any laws, regulations and codes of practice arising out of the operation of Modicare Business. Modicare shall not have any liability towards any Consultant in respect of any loss, cost, damage or expense suffered directly or indirectly as a result of any act, omission, representation or statement of any other Consultant.

## 1. REGISTRATION AND ACTIVATION AS A CONSULTANT

Registration & Activation as a Consultant Joining in Modicare is free and you are not required to pay any amount for your Registration as a Modicare Consultant. Modicare believes in equal opportunity for all. The Modicare Business is available to anyone regardless of race, gender (sex), and religious or political beliefs.

To become a Modicare Consultant, you are required to fill an online application form at Modicare website [www.modicare.com](http://www.modicare.com) or Modicare App (IOS & Android).

- 1.1 Without limiting Modicare's rights, the following are requirements for becoming a Consultant with Modicare. A Prospective Consultant must fulfil the following eligibility criteria:
  - 1.1.1. Be at least 18 years of age (21 years for the State of Maharashtra).
  - 1.1.2. Be a citizen and resident of India.
  - 1.1.3. Must not be in jail, have any criminal record and/or confined to any correctional institution of any kind.
  - 1.1.4. Must undertake to Modicare that there is no legal bar or limitation on his ability to meet the legal obligations as a Modicare Consultant.
  - 1.1.5. Must not have been suspended from his or her current profession or business by any professional association, society, or institution.
  - 1.1.6. Must be of a sound mind and legally eligible to manage his/her own business.
  - 1.1.7. Must not have been convicted or bankrupt during the preceding 5 years from the time of making the application to become Modicare's Consultant.
- 1.2 Points to remember before registering as a Modicare Consultant:
  - 1.2.1. There is no requirement to make any payment as joining fee or in return for any information or assistance provided for becoming a Modicare Consultant or to make any payment by way of security to become a Modicare Consultant.
  - 1.2.2. There is no mandatory requirement to maintain a specified minimum inventory of Modicare Products.
  - 1.2.3. There is no compulsory requirement to Purchase tickets for and/or attend or participate in rallies, seminars, or other meetings and trainings organized by Modicare and / or Modicare Consultants.
  - 1.2.4. There is no requirement to Purchase hardware or software for computers, establish a website or subscribe to an Internet Service as a condition to becoming a Modicare Consultant or as a condition of receiving assistance in the development of the Modicare business from the person who has sponsored you in Modicare Business.
- 1.3 Acceptance or Rejection of Application  
Modicare exclusively reserves the right to accept or reject any application submitted by individual (s) to enrol as Modicare Consultant without having to give any explanation whatsoever.
- 1.4 Effective Date and Authorization for Ordering  
An Application shall be considered "accepted" when either personal detail of the Applicant(s) are entered and verified in Modicare records or when Modicare notifies to the new Consultant accordingly in any manner whatsoever, normally by issuance of an SMS on registered mobile number, whichever is earlier. The new Consultant may resell Modicare Products after receipt of confirmation as provided by Modicare. Modicare business can be taken up in individual capacity, as a sole proprietorship firm or as a partnership firm (Sole Proprietorship Firm and Partnership Firm shall hereinafter collectively be referred to as "Business Entity"). The Business Entity intended to be enrolled as Modicare Consultant is required to comply with certain requirements and conditions.
- 1.5 Registration in the name of a Business Entity  
A New Consultant can join Modicare and operate his or her Modicare business as a sole proprietorship firm, or registered partnership firm provided it complies with certain requirements and conditions as given below:
  - 1.5.1. Modicare Consultant Application for the enrolment would be submitted in the name of the Business Entity. The Business Entity, in addition to CAF must file with Modicare - the Entity Authorization Form, duly signed and stamped by its Sole Proprietor or Partners as applicable. A copy of registration certificate as a Sole Proprietorship Firm or a registered Partnership Deed along with other supporting documents (as maybe requested by Modicare from time to time) should be submitted along with the application form; acceptance of such registration is subject to due verification and approval by Modicare.
  - 1.5.2. Any future Change occurring in the constitution of the Business Entity and any amendment brought about in the constitutional documents shall be mandatorily brought to the notice of Modicare Limited formally and must necessarily be approved by Modicare; otherwise, the business association may be subject to Termination at the sole discretion of Modicare Limited.

- 1.5.3. The liability of the partners would be joint and several.
- 1.5.4. Monthly Bonus / other funds' payments would mandatorily be made in the name of the Business Entity enrolled as Modicare Consultant.
- 1.5.5. All Partners are jointly and severally liable for adherence to the terms of all the documents covered under the Consultant Contract as defined herein.
- 1.5.6. A Business Entity may enrol as a Modicare Consultant only when it is formed for the sole purpose of carrying out the Modicare business only. This Business Entity must not be used to carry out any business other than Modicare.
- 1.5.7. No amendments for the constitution of the Business Entity will be allowed once after enrolled as Modicare Consultants without prior approval from Modicare.
- 1.5.8. All partners shall personally and irrevocably guarantee due performance by the partnership, all of its obligations and responsibilities as a Consultant as outlined in the Consultant Contract.
- 1.6 Invitations Limited to Two Persons:  
Invitations for seminars, leadership seminars and other events organized by Modicare will only be addressed to two individuals who as per Modicare records are registered as Modicare Consultant. In case of a sole proprietorship / partnership firm, the proprietor / managing partners as indicated in the constitutional documents submitted with Modicare, will be eligible to receive such invitations.
- 1.7 Treatment of Spouse for Modicare Consultantship  
The Modicare Business is all about Atoot Bandhan therefore, it is mandatory for husband and wife to always carry out Modicare Business jointly under one MCA number (Consultant ID), irrespective of the fact whether one of them has not signed as a Co-Applicant both are automatically deemed to be Modicare Consultants under one MCA number.
  - 1.7.1. If both the Spouse wish to enrol as Modicare Consultants, they must jointly be sponsored on single MCA Number. Under no circumstances either of the Spouse is allowed to be sponsored in different Line of Sponsorship or sponsor each other as different Modicare Consultant. If one of the spouses is already a Registered Modicare Consultant, the other spouse, upon electing to become a Consultant, must join the same MCA no. as his or her spouse (co-applicant).
  - 1.7.2. A husband and wife shall operate their Modicare Business (one MCA No.) as a single entity regardless of whether both their names are on the Modicare Business or not. Therefore, each of them will be held accountable for the actions of the other as far as the Consultant Contract with Modicare is concerned.
  - 1.7.3. If two Modicare Consultants, each of whom owns and operates a Modicare Business in different MCA numbers, in same or different lines of sponsorship, decide to get married to each other and have not achieved the level of Senior Executive Director (SED) or above (as per SMAP 2.0), then one of these Consultants must opt to surrender (by sale, transfer, or abandonment) his or her Modicare Business and become a Co-Applicant in his or her spouse's Modicare Business.
  - 1.7.4. If both the Modicare Consultant as defined in point 1.7.3 have already achieved the level of SED or above (as per SMAP 2.0) prior to getting into a Wedlock, then they are allowed to operate both the Businesses, each of which will, however, be operated in its original Line of Sponsorship. If one of the spouses opts to surrender a Modicare Business and does so by way of sale of network, such sale must be made in accordance with the provisions of the Rule for sale of network as given under Rule 8 of the Modicare Rules of Conduct. If one of the spouses opts to surrender a Modicare Business and does so by simply abandoning it, the entire network / genealogy of the abandoned Modicare Business shall pass up to the next Sponsorship in the same Line of Sponsorship.
- 1.8 Rule for Dual Joining:  
A Consultant can operate only under one MCA Number. Consultant must not become co- applicant on another registration while being main applicant on one registration. Similarly, if you are a co- applicant on one registration, you must not join as an applicant/co-applicant on any other registrations except as provided below:
  - 1.8.1. Where two Consultants have individually achieved SED or above (as per SMAP 2.0) level prior to their marriage.
  - 1.8.2. Where an existing Modicare Consultant purchases the business of another Modicare business (MCA No.) by virtue of Rule 8.1.1. or Rule 22 of the present document.
  - 1.8.3. Where a Modicare Consultant inherits a Business as a legal heir by virtue of Rule 9.1.
- 1.9 Prohibition of family members in joining a different line of sponsorship (crossline)  
Anyone in the family may join Modicare under the primary code of the family in the same Line of Sponsorship (at any depth), but is prohibited from joining a different line of sponsorship (Crossline). If they are found registered in a different line of Sponsorship, the said joining shall be treated as void ab initio and liable to be terminated. 'family' means Spouse, Parents as well as Children of both applicant and co-applicant, Siblings (brother and/or sister),

except the married daughter. The family members will not be allowed to become applicant/co-applicant on any other MCA number in any other line of sponsorship except in case of inheritance after Death. Also, the family members will not be allowed representation for recognition or participation in trips in any other MCA number in any other line of sponsorship.

1.10 Validity of Modicare business: Modicare does not charge any renewal fee for Modicare business to remain active. However, Modicare business will be discontinued if the Consultant resigns and the resignation is duly accepted by Modicare or the Consultant's ID is terminated by Modicare.

1.11 Modicare can revoke any Consultant's Business if the consultant acts in violation to the terms and conditions prescribed in any of the documents constituting the Consultant Contract as defined in Glossary of Terms and Definition.

## 2. RESPONSIBILITIES AND OBLIGATIONS OF CONSULTANT

2.1 Comply with all the terms and conditions laid down by Modicare in its various publications, from time to time.

As a Modicare Consultant, you must, at all times, comply with and strictly adhere to the guidelines, systems, requirements, procedures, policies, terms and conditions mentioned under all the documents and publications constituting the Consultant Contract as defined in Glossary of Terms and Definitions and any other literatures or any amendment thereof effected by Modicare from time to time.

The Consultant shall keep records of use of products consumed and resold separately and provide the same to Modicare upon request.

The documents constituting the Consultant Contract requires direct selling through personal interaction with the consumers. Use of alternative methods of selling - like retail or online sale is contrary to fundamental principles of Direct selling and disturbs the level playing field. Modicare is committed to providing equal opportunity to all Modicare Consultants and hence prohibits sale or display of Modicare products and services at places where goods are sold.

2.2 Prohibition of indulging in Unethical Business Practices:

As a Modicare Consultant you shall not:

2.2.1. Sell Modicare products at a price higher than the Maximum Retail Price (MRP).

2.2.2. Sell Modicare product at less than the price at which products were procured i.e., the Distributor Price as the same would amount to predatory practices and be detrimental to Modicare Business of other Consultants.

2.2.3. Misrepresent in any way the price, quality, performance or availability of Modicare products or services.

2.2.4. Offer discounts or special promotions that are not offered by Modicare.

2.2.5. Promote or misrepresent non-Modicare products as Modicare products.

2.2.6. Promote opportunity / products / services of Modicare's competitors nor will I deal with any of the person/s related with those companies

Consultants shall indemnify Modicare on account of any costs or damages that may arise from the breach of the above.

2.3 Comply with Laws of the Land

Consultant must not engage in any deceptive or unlawful trade practice. Consultant shall be responsible for complying with Central, State or local laws, State Sales Tax, Octroi, Toll taxes, Service Tax and all other taxes/laws/regulations as may be applicable to him/her from time to time and may vary from State to State in India and also for obtaining all licenses and registrations as may be required for running his/her Modicare business from time to time. No Consultant may operate any illegal or unlawful business enterprise, engage or participate in any illegal or unlawful business activity or be convicted of any illegal or unlawful activity. Modicare is not responsible for or concerned with effort or expense required to comply with such laws and regulations or the consequences of default. The Consultant is representing Modicare and hence he must not do any act or activity or conduct himself in any such manner as to jeopardize the reputation of Modicare and the business.

2.4 Rules regarding changing or modifying current packaging and labelling of Modicare Products:

Modicare prohibits you from deleting any material from, adding any material to, adding extra words, labels, or other materials on and altering or detaching any label from the product/literature. Modicare products must be sold in the form and packages provided by Modicare and must not be decanted, repacked or otherwise altered from the said form and packages. The Modicare Consultant shall further make sure that the product delivered matches the description provided at the time of offer for sale.

2.5 Written Order Form/Sales Receipt/Invoice:

2.5.1. Prior to the time of the initial sale, Consultant shall provide a duly filled Order Form to the Customer which shall include all the details as given below:

- The complete name of the Direct Selling Entity – Modicare Limited
- The name of the Consultant along with the ID number allotted by Modicare
- Contact number of the Consultant
- Complete Description of the Goods and Services to be supplied
- Country of Origin of the Goods
- Order Date
- Total amount to be paid by the Customer
- Time and Place of inspection and delivery of Goods
- A link to the return and refund policy
- A link to the Consumer Grievance Redressal Mechanism.

2.5.2. At the time of reselling products, a Consultant shall issue a written and dated receipt to the Customer. This receipt shall contain Modicare 100% Satisfaction Guarantee including product refund policy and shall be in compliance with all the applicable laws. This receipt must include –

- Product Description
- Price
- Consultant's reference and registration details.

2.6 Prospecting and presenting Sales and Marketing Plan: At all times Consultants are required to make fair presentation of Modicare Products to the best of his/her abilities communicate clearly the terms of the offer, rights provided by Modicare, price, payment terms, delivery, right to return, etc. as required for making an informed choice while presenting themselves in a courteous and well-behaved manner.

2.6.1. Invitation:

When a Modicare Consultant invites an individual to an Introductory Meeting, he/she should not:

- Convey an impression that it relates to an employment opportunity
  - Convey an impression that the invitation is social event or market survey
  - Promote the business opportunity as a business relationship with a person, company or organization other than Modicare
  - Imply that the meeting is for the purpose other than presenting Modicare's Samir Modi Azadi Plan 2.0
- Consultant shall observe decorum while engaging with customers and shall ensure that they are not disturbed without prior intimation, it could be for sale of Modicare products and/or services or it could be for introducing the Modicare business or both. Consultant shall never impose himself or herself upon his/her prospective customer and shall not indulge in high pressure selling.
- Shall not persuade any prospect into purchasing any Modicare Literature by giving an impression that the same is a mandatory requirement to become a Modicare Consultant.

2.6.2. Presentation:

On the first personal contact the person should make himself or herself known in the appropriate fashion that he is a Modicare Consultant and shall always carry a copy of the id card issued by Modicare. A Modicare Consultant shall never impose himself or herself upon his/her prospective customer. He / she should give his name, address, contact number as well as information on Modicare. In the course of presentation of the Modicare Sales and Marketing Plan, a Consultant should:

- Emphasize that income and bonuses can be achieved only on the basis of continuous sales and business building.
- Not represent that a person can benefit by recommending others to be Consultants.
- Not claim that a Consultant may achieve success with little or no investment by way of effort or time.
- Not exaggerate or overstate the kind of potential earnings that can be generated by Modicare business.
- Show the sample of products if so desired by Customer.
- Guide Customers to use the product as per directions and cautions for the products.

2.7 Handling Customer Complaints:

Whenever there is any Customer complaint, the Consultant shall acknowledge the Complaint within 48 hours and shall notify Modicare along with all correspondences they have had with customer regarding the complaint while also guiding the customer for replacing products as per Modicare 100% Satisfaction Guarantee available on <https://www.modicare.com/SatisfactionGuarantee.aspx>.

Consultants shall indemnify Modicare for any claim, legal actions etc. (including Modicare legal fees) originating because of any failure by the Consultant to observe this rule.

2.8 Relationship of Consultant with Modicare:

As a Modicare Independent Consultant, you are operating your own business on principal-to-principal basis; you are not an employee/agent of Modicare. You shall not convey the impression or refer to yourself as employee, agent, manager or representative of Modicare nor use such terminology or descriptive phrase on your stationery or any other printed matter. You further cannot bind Modicare in any agreement or contract and on receipt of any infringement of the present clause, Modicare reserve its right to terminate and/or pursue other legal actions. Nothing in this arrangement shall be deemed to be an employer employee relation between Modicare and the Consultant.

#### 2.9 Rules regarding sale of non-Modicare products and services:

Modicare Consultant must not use Modicare Consultants or activities organized specially to promote Modicare Products or Modicare events, to promote his non Modicare business/profession nor will induce another Modicare Consultant to participate in any other non Modicare Business activity.

Modicare shall in its absolute discretion terminate a Consultant if he/she is a Consultant with a company in direct/indirect competition with Modicare products and/or services that may neglect or detrimentally affect the sales of Modicare products.

#### 2.10 Line of Sponsorship is sacrosanct:

Line of Sponsorship is sacrosanct. Modicare prohibits a Modicare Consultant from directly or indirectly soliciting, interfering with or trying to entice another Modicare Consultant away from his line of joining. Consultant must not directly or indirectly, induce/entice other Modicare Consultant to change their line of sponsorship, poach or solicit reregistration of existing Consultant from other line of sponsorship e.g. Inducing a Modicare Consultant to start a new business in the name of any other family member under a different sponsor without complying with inactivity rule. Transfers of Consultants from one Sponsor to another are only granted at the sole discretion of Modicare.

Cross Group Selling: A Modicare Consultant in one line of Sponsorship must buy all Modicare products and literature supplies directly from the Modicare or his/her Sponsor. A sponsor should encourage his/her Sponsored Consultants to place orders independently; in the event Consultant/Sponsor is placing orders in the name of any other Consultant, he/she should do so with the Consultant's prior written approval and he/she will remain responsible for the orders placed and hence they need to be cautious so as to safeguard their business interest.

#### 2.11 Privacy and Confidentiality:

Information about Line of Sponsorship, report on Sponsored Consultant sales, organization information are proprietary and confidential to Modicare and is made available to the Consultants at the sole discretion of the Modicare in strict and complete confidence; if made available, such privileged information shall be used for Consultant's own use only and must not be disclosed to any third party.

Consultant must at all times ensure the protection of Sensitive Personal Data provided by any Customer in the due course of making a sale in accordance with all applicable laws. The Consultant shall take adequate steps to ensure prevention of misuse or access of the Sensitive Personal Information of the Customer by any third/unauthorized persons.

All Consultants are required to strictly abide by the above policy.

#### 2.12 Rules for Media activities and Spamming:

Consultant shall seek prior written consent before publishing anything in media relating to Modicare, its business or Consultants. No Consultant shall make any press statement, release, briefing, presentation etc. relating to Modicare, its business or Consultants without prior written consent of Modicare. Consultant shall prospect only to his/her pre-existing personal or business relationships and shall not use unsolicited email messages to any unknown person(s).

#### 2.13 Manipulation of Modicare Sales and Marketing plan: Modicare Consultant shall not influence any reward / award or bonuses by manipulating Samir Modi Azadi Plan 2.0, their Sales Volume or by creating any artificial structure in Modicare network.

#### 2.14 Territory and prohibition on exports: The business is confined to the territory of India and Export of Modicare products, or knowingly selling to others who export, is not permitted. Only Modicare reserves the right to export its products at its discretion as to the customer and price.

### 3. RESPONSIBILITIES AND OBLIGATIONS OF SPONSOR

As a sponsor Consultants have certain responsibilities and obligations. As a Sponsor, the Consultant should:

#### 3.1 Train, motivate and support Sponsored Consultants and endeavour to get them to attend free Modicare meetings and functions in all cases the Sponsor is responsible and accountable for ensuring that compliant training and motivation are made available to his or her sponsored Consultants.

- 3.1.1. Consultant shall abide by all the documents that constitute the Consultant Agreement as defined in the Glossary of Terms and Definitions, and shall not, indulge himself / herself in any wrongful activity, which could have any adverse effect upon the Modicare business of another Consultant.
- 3.1.2. Ensure that all Consultants in his/her group comply with all the provisions of the documents that constitute the Consultant Contact as defined in the Glossary of Terms and Definitions in letter and spirit.
- 3.1.3. Counsel the Sponsored Consultants in case notices non-compliance of the Consultant Contract; Report any violations of the Consultant Contact to Modicare.
- 3.1.4. Guide on promotions and other activities, media etc to assure that Sponsored Consultants conform to Modicare approved procedures and rules.
- 3.1.5. Encourage Sponsored Consultants to place their orders independently.
- 3.1.6. Must neither hard sell Modicare Products/services to other Modicare Consultants nor engage in high pressure selling.
- 3.1.7. Inform all his Consultants that there are no exclusive territories available under the Modicare Sales and Marketing Plan within India.
- 3.1.8. Not represent that there is an employment or agency relationship between himself and the Consultants which he sponsors.
- 3.1.9. Shall not force any consultant to purchase Modicare literature or represent the same to be mandatory requirement to become a Modicare Consultant.
- 3.2. Sponsoring Guidelines:  
Samir Modi Azadi Plan 2.0 must not be presented-  
As an opportunity to make quick and easy money with little or no investment of money and time as if there is no requirement to resell Modicare products While prospecting, sponsor must only use Modicare products/authorized literature and may cite lifestyle examples, e.g. travel automobile, homes of successful Consultants, accrued as the result of building a successful Modicare Business.

### 4. PAYMENT OF BONUS

- 4.1 Bonus Payable under the ambit of SMAP 2.0 is payable by the first week of the following month. In cases where a Consultant also has a co-applicant, Modicare will deal exclusively with the First Applicant only as per details provided in the Consultant Application form and shall make payments on account of Commissions, discounts, Returns and refund etc. in favour of First Applicant only. In case you owe Modicare any money, Modicare may exercise legal rights and remedies to adjust such sums from any amount/bonuses payable to you.
- 4.2 In an unlikely situation of a feud between Main Applicant and the Co-applicant; it would be at a sole discretion of Modicare Ltd. to decide on the beneficiary of proceeds getting accrued under the ambit of SMAP 2.0. To decide this, Modicare Ltd. would mainly take into the account the activity pattern and visibility of Applicant / Co-Applicant in the activities linked to carrying out Modicare Business.

### 5. RESIGNATION

Consultant may submit letter through an email to support-modicare@modi-ent.com from his/her registered email address or in writing at any of our Modicare Centres / Offices to resign as a Modicare Consultant citing reason for the same with a copy to his sponsor / Regional Head / Modicare Customer Delight Team. In the event of Resignation, Consultant shall cease to have contractual liabilities with Modicare or his/her sponsor, except for liabilities:

- 5.1 On account of indemnities in respect of costs or damages legal or otherwise, arising as a result of any misrepresentation or infringement of any laws.
- 5.2 On account of infringements of the Consultant Contract as occurred prior to the effective date of Resignation.  
If the resigning Consultant has some Modicare products to return at the time of resignation and if they are in saleable condition (to be decided by Modicare) and returned within 30 days of their purchase, he/she can return the same to receive the refund. The amount refunded will be equal to the price paid after adjusting all benefits availed by the Consultant and / or bonus paid to the Consultant as a result of purchase of such products. The Consultant will have to present the copy of the related invoice. Payment for the product return will be made to the Consultant within 15 days' time from the date of return of the products.



## 6. REGISTRATION OF A FORMER CONSULTANT IN CASE OF RESIGNATION/TERMINATION

Once a Modicare Consultant terminates his/ her contract with Modicare or Resigns, he/ she shall not be allowed to enter into a contract with Modicare as a Modicare Consultant for a period of 6 (Six) months from the date of his/ her Resignation or Termination. However, for those who have resigned or got terminated at the title of director or above, the above said inactivity period shall be extended to 12 (Twelve) months from the date of his/her Resignation or Termination. If a Modicare Consultant violates the above-said rule and enters into a contract with Modicare as a Modicare Consultant during the Dormant/inactivity period, the said joining shall be treated as void ab initio and is liable to be terminated. To apply for a new Modicare business under this Rule, Consultant must submit a new Consultant Application Form specifying the following on the Consultant Application Form (CAF):

- Earlier MCA Number
- Declaration of dormancy/inactivity If any Consultant opposes or has reservation against any former Consultant re-joining the business, he/she can file an objection with Modicare submitting a clear proof of activity of this former Consultant in the last six months/twelve months (for Director and above) period. If valid evidence of activity during the six months period is received, Modicare will reject the application. However, Modicare reserves the right to take final decision on a case-to-case basis. Applicants can not apply under this rule to become a partner in an already existing Modicare business.

### 6.1 Meaning of the Term Dormant:

Term 'Dormant' means that Consultant:

- Did not conduct field activities & did not hold meetings.
- Did not attend any meetings, trainings, and conventions of Modicare Consultants or any Modicare sponsored meetings.
- Did not purchase/sell Modicare products as a Consultant, not done sponsoring of prospects and shall not have presented the Modicare Sales and Marketing Plan to any prospect.
- Did not participate in any Modicare activity under another 'Modicare Consultant' in the name of parents, siblings or others When either a husband or wife is a Consultant, both must fulfil the inactivity requirements before one or both can be registered as a Consultant.

A Consultant re-registering, pursuant to the provisions of this rule, is not allowed to be sponsored by anyone who was previously above or below him/her in his/her previous line of Sponsorship unless inactivity period has elapsed since the termination of his/her original Modicare Business. After moving to a new group, a Consultant cannot poach persons from his old group except for Consultants who were inactive for at least six or twelve months as per policy.

- Corrective Action: If the above provisions are violated, Modicare may take corrective action. Modicare, at its discretion, may transfer the Business Group and the business volume generated during the period of violation to the original Line of Sponsorship.
- Re-registration of Terminated Consultant in case of breach of Consultant Contract – Modicare prohibits re-registration of a Consultant and his or her spouse who has been terminated by Modicare. Such persons will be allowed to re-join only at Modicare's discretion. Consultant, intending to sponsor any such person, would be required to take permission in written from Modicare Management before sponsoring.

## 7. CUSTOMER SATISFACTION PROGRAM

We observe an irreversible 100% Satisfaction Guarantee on our products, wherever specified. This assures that consumers of Modicare products will be satisfied with their purchases.

According to this,

- If a Customer is not completely satisfied, he/she may return the product to the Modicare Consultant for a 100% refund for the product within 7 days of original purchase.
- A Modicare Consultant can return such products back to the Modicare within 30 days of its purchase. The Product Refund Policy is applicable on saleable products as well as partially used products, wherein not more than 25% of the product has been used.
- A Modicare Consultant shall guide its Customers on the mechanism to lodge complaint with Modicare in accordance with Modicare 100% Satisfaction Guarantee.

Modicare Consultant shall advise Modicare of any customer complaint and provide copies of all correspondence and details of all conversations regarding the complaint within 24 hours of receiving the Complaint from the Customer. Modicare Consultants are not authorized to make any type of offer or compromise or render Modicare liable for any complaint or product return.

Whenever there is a request from a customer for honouring the Company Satisfaction Guarantee, the Modicare Consultant shall offer to the customer the choice of:

- Full refund of the purchase price paid
- Exchange with the same or another product of equivalent value

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

- Product Return Procedure:** Modicare will accept return of products along with relevant Customer Order Receipt, Product Return Form and related invoice within 30 days of its purchase. In case Modicare Consultant returns product under 100% Satisfaction Guarantee, he/she will have the option to take Credit note (through which the Consultant can buy same or another product of the same value) or Cash. If amount of refund in lieu of product returned is upto Rs. 1,000/-, cash will be issued immediately by MSC. However, if amount exceeds Rs. 1,000/-, Consultant will be issued amount in his registered bank account.

- Product Return - Other guidelines/notes:** This policy will apply on offer invoices as well as free product received under offer as follows –

Modicare Consultant returning products purchased under offer may take replacement of invoiced products or offer products with same or any other product/s of same value provided offer conditions are not affected otherwise Consultant will seize to get the benefit under the offer.

Condition	Period	Payment
Saleable Product	Within 30 days of purchase with Invoice.	Distributor Price
Unsaleable Product	Within 30 days of purchase with invoice.	Distributor Price less taxes.

### Product Return Conditions

- The Consultant must return the product(s) to Modicare Success Centres.
- Period of return for products is calculated as the number of days from the Invoice Date to the date of receipt at the Modicare centre
- The product will be considered as 'Saleable' or 'unsaleable' depending on the condition of the returned stock as assessed by the Returns executive at the Modicare Centre.
- PV/BV adjustment of Products returned up till 25th of each month shall be processed in the same month. Total PV/BV of the returned products will be deducted from the returning direct seller's account.
- The Product Satisfaction Guarantee does not apply to open packs of literature and videos or other sales aids.
- Total returns cannot exceed the quantity appearing on the Invoice.
- If products are returned by customers directly to Modicare, PV/BV adjustment shall be done from the direct seller's account & any excess amount paid shall be recoverable from the direct seller.
- Taxes means all taxes levied on Sales in India.
- Saleable refers to products that are unopened and sealed and are in "Good to sell" condition.
- Unsaleable are products which have been partially used (upto 25%). However, the condition for partially usage of the product doesn't apply in case of electronic products, accessories or any other product as decided by Modicare from time to time e.g. Imitated Jewellery (under 'Amoli' brand), Modicare Cuckoo Air Purifier, SM Watches, Merchandise, Modicare Premium Protection Mask, Modicare Envirochip & Enviroglobe, Mighty Guard, 3 in 1 Fast Charging Cable etc. For the sake of clarification, the return against the aforesaid products can only be accepted if they are in Saleable condition only, subject to the verification by Modicare.
- Excess stock refers to products greater than or equal to six in number.
- Exchange Of Product In Case Of It Being Defective  
In case a direct seller/ customer found any product being defective, he/ she shall bring it to the nearest Modicare Centre/Office and gets it replaced with the same product.

## 8. GUIDELINES REGARDING SALE OF RIGHTS/INTERESTS

- A Consultant can sell his Modicare business only after he has attained and qualified as a Director or above.
- If a Consultant wants to sell his business, it must first be offered to his/her immediate sponsor. If the immediate Sponsor does not accept the offer then the offer must be made to all Black Diamond Directors and above in that order in the same line of joining. If the above declines the offer, the same can then be offered to all his/her frontlines.

- 8.1.2. In case the Consultant wants to vary the terms of offer of his 'Modicare business', then it must be offered again with the modified terms in the order of priority set out above.
- 8.1.3. Once the sale is through, all bonuses, which the business will be entitled to under the ambit of SMAP 2.0, shall be paid to the new owners; it is however clarified that Bonuses or Recognition Pins awarded before the sale of the respective network will not be transferrable to the new owner (s). The activities undertaken only after the sale can be taken into consideration for conferring distinctions and recognition on the new owner(s).
- 8.1.4. No sale shall be final until approved in writing by Modicare.
- 8.1.5. The purchased business shall remain separate from the buyer's other Modicare business and the lines of Sponsorship shall not be altered in any way as a result of the same.

## 9. RULES REGARDING DEATH OR DISSOLUTION OF PARTNERSHIPS

Modicare has a pre-determined set of rules that are to be followed in the event of death of a Consultant and the dissolution of a partnership.

### A. DEATH

- 9.1. In the case of the death of a consultant, where there is no nominee:
  - 9.1.1. the business shall pass to the Executor for the deceased consultant and the Executor shall receive all or part of the Commissions and privileges earned by the Modicare business that he represents, for the period during which he manages it. If Modicare is not notified of the appointment of an Executor within 60 days of death of the Consultant, Modicare can dispose business in accordance with Rule 22 (Disposition of Business - Placeholder Policy).
  - 9.1.2. The Executor of the deceased Consultant's Business shall as soon as possible after the death of the Consultant(s), do the following:
    - a) If the executor of the deceased Consultant is already an existing Modicare Consultant then in such cases the executor will be allowed to hold his existing Modicare Business along with the Modicare Business inherited by him/her and shall be allowed to run both the businesses separately.
    - b) Sell the Modicare Business in accordance with Rule 8 of these rules;
    - c) If he is or becomes a Consultant, take charge of the deceased Consultant's Modicare Business.
- 9.2. If a Modicare Business belongs to two unmarried persons, and upon the death of the main applicant, the following provisions shall apply:
  - 9.2.1. The legal heir of the deceased main applicant can apply to Modicare with all original documents validating his claim, for replacing the deceased name by his / her name within 60 days from the date of the death of the deceased main applicant. In the event, Modicare does not receive requisite documents within the stipulated period, Modicare shall dispose the said business in accordance with Rule 22 of these Rules or b. Surviving co-applicant shall obtain (by will or sale) the interest of the deceased Consultant.

### B. DISSOLUTION OF PARTNERSHIP, DIVORCE, SEPARATION OR OTHER DISSOLUTION:

Terms of divorce or dissolution of partnership should spell out clearly the manner in which the business is to be split so that the functioning of Modicare or the line of sponsorship is not adversely affected. When there is dissolution of partnership, the bonus will be divided equally between the two partners or as decreed by the court. Where dissolution is pending, Modicare prohibits any of the parties from managing and developing either alone or jointly any other Modicare business without Modicare's approval.

## 10. MODICARE'S OWNERSHIP OF COPYRIGHT

- 10.1. Modicare has a copyright with regards to all its printed material.
  - 10.1.1. Modicare forbids reproduction in whole or in parts except with its written permission of any Modicare printed material such as text, pictures, diagrams, charts, maps, designs as well as other materials like audio cassettes, video and film recordings.
  - 10.1.2. In any such reproduction by Consultants a statement as follows should be appended: "Reproduced with the permission of Modicare, New Friends Colony, New Delhi- 110025" and shall also include the contact details of the Consultant.
  - 10.1.3. All rights in the Modicare name, trademarks or other intellectual property are the property of Modicare and/or its associated companies. Consultant shall use only printed material received from Modicare and is prohibited from printing or disseminating any material with any change in the wording. Upon Resignation, Consultant shall stop using Modicare's name and copyright.

- 10.2. Guidelines regarding the use and representation of the Modicare name by Consultants:
 

Modicare forbids the use of its name, logo, any trade names, trademarks, service marks or other intellectual property which is the property of Modicare or any of its associated companies without prior written consent. Modicare reserves the right to withdraw its consent at its absolute discretion.

Modicare also forbids a Consultant from producing or procuring from a source other than Modicare, any item bearing the Modicare name or logo or any Modicare trademarks or trade names or service marks.
- 10.3. Office Signages:
 

Modicare Consultant operating an office if desires to display Modicare Name or logo that is visible to public, he/she must first obtain prior approval from Modicare in writing while providing description of proposed signs, its size, location and type/method of installation. This office however shall not be used to service any retail customers.

Modicare reserves the right at all times to terminate the Association and withdraw permission to use the Modicare name if ethical operation are not carried out. The decision of Modicare in this regard shall be final.
- 10.4. Vehicle Sign:
  - 10.4.1. Modicare Consultant must obtain explicit prior written approval from Modicare for using Trade name, Trademark, logotype design or symbol on any vehicle.
  - 10.4.2. Modicare reserves the right to withdraw permission to use the Modicare name on any vehicle if the owner fails to comply with the specified rules and requirements, permits his vehicle to fall into disrepair, violates the Code of Ethics and Rules of Conduct, or is guilty of any conduct prejudicial to the interest of Modicare, of which Modicare shall be the sole judge.
  - 10.4.3. The Modicare name and logotype must be completely removed at the time of selling the vehicle.
- 10.5. Charitable Events:
 

Modicare Consultant shall not use Modicare products and services in conjunction with any charitable activity while soliciting purchase of Modicare products/services on the representation that all or a part of benefits, profits, gains generated by such sale will benefit a particular cause/group/organizations.
- 10.6. Stationary, Promotional Literature etc.:
 

Modicare Consultant must take prior approval in writing for printing stationary bearing Modicare Logotype, trade name or trademark by sending exact copy to be used for printing before printing is actually done. Subsequent to the approval, there shall be no deviation whatever from the approved copy.
- 10.7. Principles regarding advertising:
 

Modicare prohibits the use of mass and/or broadcast communication methods such as mass mailing, tele-marketing, national or international advertising, television merchandising channels, computer networks including internet or any other means by which personal contact with the prospect is not there, to secure Modicare customers. However, Consultants may use digital media or maintain an Internet Website for use with prospects, provided the contents of such media or Website meets the requirements set within the Consultant Guidelines and complies with the Terms and Conditions of Modicare Business, after obtaining explicit consent and authorization from Modicare.
- 10.8. Penalties for Violators: In case any Consultant violates any clauses of the code of ethics his Association shall be terminated forthwith.
  - 10.8.1. Shall be prohibited from representing as a Consultant of Modicare and
  - 10.8.2. He cannot use the trademarks and trade name of Modicare.
  - 10.8.3. In case he continues to do so then he shall be liable for infringement and a suit for damages and injunction shall be filed at his risk and cost.

## 11. BUSINESS DEVELOPMENT AIDS OR BUSINESS SUPPORT MATERIAL (BSM) AND PROGRAMS i.e. EVENTS, WORKSHOPS, SEMINARS etc.

- 11.1. Definition:
 

Business Development Aids or Business Support Material means all products and services including but not limited to business tools, books, magazines, flip charts and any other printed material, online literature, internet websites, Online Application, audio, video or digital media, and Programs including rallies, events, workshops and seminars (inclusive of tickets for the same) and other types of materials and services that:

  - i. Incorporate or use one or more of Modicare's trademarks, service marks or copyrighted works; or
  - ii. Are designed to solicit and/or educate Prospects, prospective customers or Customers of Modicare products or services, or to support, train, motivate and/or educate Consultants.

- iii. Are otherwise offered with an explicit or implied sense of affiliation, connection or association with Modicare.
- 11.2. General Rules on Business Development Aids or Business Support Material and Programs:
  - 11.2.1. Without obtaining the prior written consent from Modicare Limited, Consultants are not authorized to create, produce, promote, distribute BSM (as applicable) and conduct any Programs, as defined in clause 11.1, to promote their Modicare Business. If a Consultant wishes to create, produce, promote, distribute BSM, he/she shall send it to Modicare at spbm-modicare@modi-ent.com and only upon receiving the written approval, he/she can use it to promote Modicare business. If a Consultant wishes to conduct any program including events, workshops and seminars etc., he/she shall send the objective of conducting such program, its location and timings, price (tickets) for attending such program and the anticipated expenses for conducting such program, at spbm-modicare@modi-ent.com or fill up the 'Paid Event Approval Form' under the Form Centre on Modicare website www.modicare.com. Modicare will have the discretion to ask any further details and may also conduct audit to verify the aforesaid details even after program is duly conducted. No Consultant can conduct such Programs unless a prior written approval is given by Modicare. Modicare will grant its approval / rejection for conducting the program within a period of 4 working days from the date of receipt of consultant's request. In case, approval / rejection is not conveyed by Modicare within the abovesaid period of 4 working days, the request will be deemed as approved. In case any Consultant is found involved in breach of the aforesaid condition/s, Modicare will have the right to terminate his/her contract with Modicare in the capacity of a Consultant.
  - 11.2.2. After seeking the written consent from Modicare for conducting an event, workshop, seminar etc, Consultants shall obtain all the necessary approvals for conducting such program from Government Authorities/Local Bodies or any other concerned department including but not limited to obtaining any music license, registration, tax and other applicable regulatory compliances. Modicare will not be responsible or liable for any non-compliance on account of Consultants for the programs conducted by them. The consultant shall indemnify Modicare and/or its officers, employees, representatives against any penalties, costs, damages, liabilities etc. that arises due to any non-compliance in conducting the program.
  - 11.2.3. Consultants must ensure that all the Programs conducted by them should be in direct relation to the promotion and the development of Modicare business and its Products only.
  - 11.2.4. BSM shall at all times be entirely optional. Modicare Consultants shall not promote any training or support material as a condition under Modicare joining process or explicitly or implicitly presented as necessary for success in Modicare Business.
  - 11.2.5. Consultants shall neither give, nor receive compensation, remuneration or other financial incentives from other Consultants for the promotion, distribution, offering for sale or sale of BSM. Consultants cannot make profits by selling event tickets and/or business tools.
  - 11.2.6. BSM shall not infringe in any way on Modicare copyrights, trademarks or other intellectual property rights, or provisions of any other applicable laws, rules or regulations. Consultants promoting, distributing, offering for sale or selling BSM must obtain appropriate written authorization from Modicare in accordance with Section 10 in order to use or affix any trademarks, copyrighted material or other intellectual property of Modicare in BSM. Additionally, BSM must not infringe the trademarks, copyrights or intellectual property rights of other Certified Training Providers, other Consultants or any third parties. All approved BSM must carry the "Modicare Consultant" name and MCA number.
  - 11.2.7. For BSM in the form of a presentation offered by Modicare, no Consultant shall record the same without the express written consent of Modicare.
  - 11.2.8. No Consultant shall use photo of Mr. Samir Modi without prior written approval from Modicare. Consultants shall only use Modicare business tools, including printed literature, audio, video etc, that is duly approved/provided by Modicare for the BSM.
  - 11.2.9. Any claim relating to the use, characteristics and/or performance of Modicare Products must be reproduced verbatim from official Modicare sources, without alteration or modification. No third-party claim for the same shall be authorized in any BSM. Consultants shall, with prior Modicare approval, incorporate into their communications or include in presentations reduced to a fixed medium full and exact reproduction(s) of materials set forth in Modicare-produced literature, Modicare Connect magazines, or Modicare-produced labels.
  - 11.2.10. The consultants shall conduct the event in their own name and use of any other nomenclature for events or on Modicare branding is prohibited.

## 12. SOCIAL MEDIA POLICY

- 12.1. Definition of Social Media:

This Policy is intended to help Consultants to apply necessary rules and principles to social media interactions. Consultants desiring to use Social Media for their Modicare Business should review all the documents constituting the Consultant Contract and adhere to the same while using Social Media such as websites, online tools like blogs, micro blogs, message boards, podcasts, video and photo sharing sites, online communities, wikis etc. that are used to connect and interact online with other people and share any content and information.

- 12.2. Appropriate Conduct:
    - 12.2.1. Connect with Modicare online, join official sites to share posts, videos and photos posted by Modicare with your teams, customers and prospects.
    - 12.2.2. Maintain privacy settings while connecting with friends or friend of friends, those Sponsored Consultants and Sponsor as appropriate.
    - 12.2.3. Self-disclose your affiliation with Modicare if you intend to discuss the business on your page; Be truthful and accurate at all times considering your comments reflects upon your and Modicare's reputation.
    - 12.2.4. Share positive experiences about Modicare products and the Modicare business.
    - 12.2.5. Offer participation, support and feedback. When approaching others or entering the conversation, interact positively, be relevant and credible.
    - 12.2.6. Refer questions or other users with questions to Modicare.
    - 12.2.7. Remember to abide by the Consultant Contact for Modicare Consultants. Only some of the applicable rules are listed here for ready reference. Consultants may clarify any other doubts from Modicare.
  - 12.3. Forbidden Conduct:
    - 12.3.1. Do not create pages, websites, accounts or other online sites to sell products.
    - 12.3.2. If someone contacts you online and expresses a desire to buy product or learn more about the business, contact them privately through chats, messages or email.
    - 12.3.3. Do not offer discounts or special promotions not offered by Modicare.
    - 12.3.4. Do not create fake Modicare or product brand identities. When it comes to naming your page, you are not allowed to use Modicare trademarks or trade names.
    - 12.3.5. Do not use Modicare logos, Modicare Product logos, brand images, photographs and copyrighted text including product literature or Modicare BSM's without prior permission from Modicare or misrepresent Modicare in any way.
    - 12.3.6. Do not make claims about Modicare products that are false, misleading or incorrect.
    - 12.3.7. Do not upload photographs / videos / content related to Modicare Business, events or products that are not authorized by Modicare, false, misleading or incorrect.
    - 12.3.8. Do not upload BSM's of other Consultants or your BSM's that have not been approved by Modicare.
- \*Consultant conduct and activities while using the Social media for their Modicare Business is governed by the Code of Ethics & Rules of Business and the above policy, which are subject to change from time to time. Violation of the Rules and/or this policy may invite action against your Modicare Business.
- Please adhere to the content & platform guidelines covering Social Media, Digital and other Creatives available on Modicare Website under Code of Ethics document.

## 13. CORRECTION OF NAME

- 13.1. Only spelling corrections will be allowed for applicant and/or co-applicant's name under following situations: If the error has occurred on part of the Consultant while filling the form, an application from the Consultant is required requesting the rectification and enclosing a copy of valid KYC document containing his/her signature like Passport, license, PAN card or signature attested by Bank.
- 13.2. Applicant can enrol anyone as co-applicant. In case there was no co-applicant at the time of enrolment, an application from the applicant requesting the addition of a co-applicant must be submitted along with a "No Objection" letter from the person joining as co-applicant.
- 13.3. Interchange of names between the applicant and the co-applicant can be allowed after receiving an application from the applicant requesting the same and a "No Objection" letter from the co-applicant attached along with. However, it is allowed only if applicant and co-applicant are spouses or blood relatives, a proof of relationship will be required at the time of name interchange along with Valid KYC documents of both parties containing their signature.
- 13.4. Change of address and phone number: Address change to be accepted only upon a written request from the concerned Consultant along with a proof of valid address such as a copy of, bank account statement, electricity or telephone bill, passport, voter I-card, Aadhar Card etc. Address proof must be in the name of main applicant and



must have the same address as requested for change.

Phone number will be changed upon receipt of an application from the concerned Consultant requesting the same along with a valid proof i.e. copy of the telephone bill.

#### 14. ADHERENCE TO LAW:

Consultant must strictly adhere to the laws of the land. Consultant must not engage in any unlawful trade practice as defined by any Central, State or local law or regulation. If Modicare determines that any Modicare Consultant is engaged in or operating or participating in an illegal or unlawful activity or enterprise and even upon notification and request by Modicare does not refuse or fails to terminate his or her relationship with such illegal or unlawful enterprise or activity, then Modicare shall terminate such Modicare Business, whereupon the Consultant shall lose all the right and privileges of a Modicare Consultant.

#### 15. ENFORCEMENT OF MODICARE RULES OF CONDUCT:

15.1. Violation of Consultant Contract is completely unacceptable under any circumstances. Modicare in its absolute discretion can take disciplinary action, up to and including termination, against any Consultant who discreetly or indiscreetly violates Consultant Contract and/or any other guidelines or instructions given in Modicare official publications. Modicare's decision in this respect shall be final and binding to all parties concerned.

In case any violation is observed, Modicare Consultant must report the same to Modicare in accordance with the below specified complaint procedure:

15.1.1. Violation must be notified to Modicare along with all facts and documentary or other evidence connected with it. Additional information may be requested from any party by Modicare with regard to the complaint.

15.1.2. On receiving complaint, Modicare will issue show cause notice to the concerned Consultants to seek an immediate response. The letter shall be issued and sent by Registered Mail to the last mailing address while stating the Rule(s) violated by the Consultant. Modicare may initiate termination or suspension of a Consultant's business even in the absence of a formal complaint.

15.1.3. Dual Joining

If in a given situation any Modicare Consultant is found to be holding two (or more) registrations, (In the capacity of Applicant or Co-applicant); Modicare at its sole discretion would act in the following manner:

1. A show-cause notice to be issued to erring Modicare Consultant seeking explanation about this breach.
2. Modicare Management to carry out a detailed investigation in this regard and in accordance with the defined Consultant Contract terminate the Second registration with immediate effect and without having to pay the proceeds accrued under the ambit of SMAP 2.0 on this registration.
3. If such case is reported by the defaulting Consultant to Modicare within first 180 days of enrolment of the second registration, then the entire network / genealogy enrolled under the second registration shall be transferred under the first (original) registration of the respective Modicare Consultant. However, in case of delayed reporting of such cases to Modicare (beyond 180 days) the second registration of the respective Modicare Consultant will be terminated and the network / genealogy enrolled under the second registration shall remain in the Line of Sponsorship (LOS) where they were originally enrolled and would be passed up to the next up-line consultant in the same LOS.

15.2. Suspension of Modicare Business:

Modicare may employ various actions and procedures to encourage proper Modicare business conduct:

- 15.2.1. Block access to Business Status reports.
- 15.2.2. Hold payment of commissions, award money, or other additional benefit payable to the Consultant.
- 15.2.3. Not allow him/her to attend Modicare sponsored seminars, events, meetings, training sessions, home presentations etc.
- 15.2.4. Prevent him/her from participating in Modicare sponsored trips.
- 15.2.5. Prevent him/her from placing orders on the Modicare or sharing opportunities.
- 15.3. Upon termination of his or her authorization as a Modicare Consultant for any cause whatsoever, the Consultant shall forthwith:
  - 15.3.1. Cease to identify himself as a Modicare Consultant and shall cease to have all rights as a Modicare Consultant and
  - 15.3.2. Cease to use all trademarks, trade names, insignia, or other industrial property used in or related to the Modicare business.
  - 15.3.3. All income being generated after the date of termination.

15.4. In the event that Modicare terminates a Consultant's business pursuant to the violation of Consultant Contract, the Consultant will have no claim against Modicare arising out of or in respect of the termination. Modicare may terminate without affording to give an opportunity to rectify Consultant's improper conduct where the violation has been of such magnitude as to bring into serious question the right of such Consultant to continue to operate his business.

15.5. Interim Managers:

Where Modicare is of the opinion that the interests of any Modicare Business within a particular Line of Sponsorship are being adversely affected by the inability or unwillingness of a Consultant within the same Line of Sponsorship to properly carry out his/her responsibilities and obligations as a Consultant, Modicare may by notice in writing appoint an Interim Manager to run the business of the violating Consultant. Such appointment shall apply until resolution of the situation and at the sole discretion of Modicare.

#### 16. ZERO TOLERANCE POLICY

This policy is to emphasize that Modicare will not overlook any violation of any provisions of the Consultant Contract defined and printed in any of Modicare Publications; no leniency shall be shown in dealing with a Consultant who is found indulging in adverse conduct or to be in violation of the Consultant Contract.

In addition, Modicare can hold the Consultant responsible for any cost or damages incurred by Modicare and/or any other Modicare Consultants if the activities of the Consultant have the effect of derogating, diminishing, or damaging the reputation of Modicare or its products and/or services.

#### 17. MODIFICATION ON THE CONSULTANT CONTRACT

Modicare may at its absolute discretion, change, rectify or amend any of Rules of Conduct & Code of Ethics, terms & conditions of Modicare Samir Modi Azadi Plan 2.0 and policies or any other document comprising the Consultant's Contract from time to time; any such amendment in policy / procedures / new schemes / Modicare's initiatives shall be communicated through Modicare website [www.modicare.com/](http://www.modicare.com/) Modicare app (IOS & Android) / Modicare Connect magazine / posters displayed at Modicare Success Centre or any other published material. The Consultant has the option to terminate the contract forthwith if the Consultant does not accept the terms and conditions. In such a case he will be required to send a written communication to Modicare. If he continues business after communication of amendment of any document constituting the Consultant Contract it shall be presumed that the Consultant has accepted the amendments and is bound by them.

#### 18. RETAILING

- 18.1. Modicare does not permit Consultants to display/sell its products/ literature through retail stores.
- 18.1.1. No Consultant shall permit Modicare Products or services to be sold or displayed in retail stores, schools, fairs, ships or military stores; nor shall he or she permit any Modicare product to appear in such locations even if the Modicare product or services themselves are not for sale.
- 18.1.2. No Modicare point of sale material, literature shall be displayed in retail establishments.
- 18.1.3. A Consultant who works in or owns a retail store must operate his or her Modicare business separate and apart from the retail store. Such Consultants must secure customers and deliver products to them in the same manner as Modicare Consultants who have no connection with a store. Other types of retail establishments, which are not technically stores, such as barber shops, beauty shops etc., likewise may not be used to display Modicare Products, information about Modicare services, or Modicare literature.
 

Further, Consultants may not use mass communication methods such as television merchandising channels, computer networks, national or international advertising, etc., to secure Modicare customers.

  - 18.1.3.1. Exception to above Rule 18.1.3 for Beauty salons, health clubs, Doctors, hospitals, clinics. Display and sale of health, beauty and sport nutrition product are permitted in health and beauty establishment under the following conditions:
    - i. The primary focus of the business is service and retail sale of product is incidental to the service provided (e.g. Beauty salons, health clubs, Doctor's clinic).
    - ii. Only Modicare products directly related to the service provided by an establishment will be allowed. For example, a Beauty establishment could display, use and sell only Essensual, Urban Color, Velocity, Schloka, Salon, Fruit of the Earth range of products and related personal care products like shampoo and conditioner. A Health establishment i.e. Gym could only display, use and sell Well range of products.

## 19. PROHIBITION FROM SPAMMING

- 19.1. Unsolicited e-mail messages:  
No Consultant shall send, transmit or otherwise communicate any unsolicited e-mail messages to persons with whom the Consultant does not have a pre-existing personal or business relationship. (This includes, but is not limited to, sending e-mails through newsgroups, purchased mailing lists, "safe lists", or other lists of individuals or entities with which the Consultant does not have a relationship).
- 19.2. Employment Postings: If a Consultant responds to an employment posting for someone seeking an employment opportunity, they shall clearly state within the first paragraph of the response that they are offering a business opportunity. Any materials used with a prospect must be approved by the Corporation in accordance with Consultant Contract.

## 20. DE-SPONSORSHIP MEANS REMOVAL OF A CONSULTANT FROM HIS POSITION AS A SPONSOR IN THE LINE OF SPONSORSHIP

De-sponsorship or "de-sponsored from one's Business Group" means the removal of a Consultant from his position as a Sponsor in the Line of Sponsorship (including, at the absolute discretion of Modicare, the removal of the Consultant's right to ever sponsor again in his current Line of Sponsorship or any other Line of Sponsorship), such removal being effected by written notice from Modicare to the relevant Consultant and becoming effective on the date stated in such notice or on the date of the breach committed whichever is earlier.

- 20.1. Modicare may at its discretion, with or without notice in writing, to a Consultant either terminate the Modicare Business or authorization to operate as a Consultant or De-sponsor the Consultant, if one or more of the following occurs (this is an indicative list and includes all such other conducts which in the discretion of Modicare are disparaging or diminishes the goodwill of Modicare):
- 20.1.1. If, in Modicare's opinion, the Consultant provided false information in his Consultant Application.
- 20.1.2. If the Consultant makes a misrepresentation of Modicare or the Modicare business which, in Modicare's opinion, is not likely to be satisfactorily remedied by corrective actions.
- 20.1.3. If the Consultant makes a material breach of any of the terms of the Consultant Contract or make a breach and fails to rectify such breach within the time period specified by Modicare in its written notice to the Consultant.
- 20.1.4. If the Consultant commits repeated breaches of the Consultant Contract
- 20.1.5. If the Consultant (or, if the business comprises two or more individuals, any of those persons) is convicted of an offence is punishable with imprisonment.
- 20.1.6. If the Consultant (or, if the business comprises two or more individuals, any of those persons) is suspended or disbarred from practicing his usual trade or profession by any association, institute or professional society.
- 20.1.7. If the Consultant becomes the subject of bankruptcy or winding-up proceedings.
- 20.1.8. In the event that a Consultant dies without either an executor or an heir appointed by the executor who wishes to assume responsibility for continuing the deceased's business.
- 20.1.9. In the event that a Consultant becomes incapable of managing his affairs due to unsoundness of mind.
- 20.1.10. If the Consultant commits a breach of terms and conditions of availing of any value added service including any payment thereof and / of fails to make payment of any products / services provided by Modicare.
- 20.1.11. Does any activity of another company in competition to the business of Modicare directly or indirectly.
- 20.1.12. Defames the Modicare and or any of its employees or Consultants.
- 20.1.13. Uses the copyright data, information about downlines, conniving with others to harm the Modicare Business.
- 20.1.14. Makes his own organization to promote the Modicare Business under its banner.
- 20.2. The decision of Modicare regarding termination or de- sponsoring of a Consultant shall be final and binding on the Consultant.
- 20.3. Termination of a Consultant means termination of:
- All rights as an Modicare Consultant.
  - All income and benefits of the sales and marketing plan being generated after the date of termination. Termination of the Consultant's authorization to operate as an Modicare Consultant means the termination of all rights derived from said authorization, and in conjunction therewith, the right to receive any further income from or generated by such business arising or accruing after the date of termination.
- 20.4. The Process of Termination of De-sponsorship: The Consultant, whose authorization is to be cancelled who is to be de-sponsored, shall be given written notice of Modicare's decision by Registered Mail and various digital modes of delivery including but not limited e-mail, WhatsApp etc. In addition to complying with the laws of India pertaining

to such termination or De-sponsorship, the notice of termination, cancellation, or De-sponsorship shall:

- 20.4.1. Be mailed to the last mailing address of such parties as shown and updated in Modicare's records, the notice will be deemed to be delivered at the last updated address irrespective of whether the said consultant was available on the provided address or not.
- 20.4.2. If applicable, state the Rule(s) violated by the Consultant.
- 20.4.3. State the date on which any such action shall become effective, and
- 20.4.4. If applicable, advise the Consultant of his opportunity to appeal Modicare's decision to a Review.
- 20.5. In the event that Modicare terminates a Consultant's business or that a Consultant is de-sponsored of his Business Group by Modicare pursuant to these Rules of Conduct, the Consultant will have no claim against Modicare arising out of or in respect of the termination or De-sponsorship.
- 20.6. Payment of Pool Benefits after Termination:
- 20.6.1. Pool benefits are not direct results of efforts/ business made by any Modicare Consultant.
- 20.6.2. Pool benefits arise from overall performance of Modicare Limited.
- 20.6.3. Pool benefits are not earned by a Modicare Consultant and are not a performance right of a Modicare Consultant.
- 20.6.4. Pool benefits are incentives granted by Modicare Limited (as per eligibility and conditions of disbursement prescribed under Samir Modi Azadi Plan 2.0) for being loyal to Modicare Limited and strictly complying the Code of Ethics in letter and spirit.
- 20.6.5. In case of any breach or violation of Code of Ethics by Modicare Consultant, all Pool benefits/incentives credited or to be credited to said Modicare Consultant shall be recalled /reversed / withdrawn. Tax implications, if any, of such recall/reversal/withdrawal of Pool benefits/incentives shall be debited to the account of said Modicare Consultant and shall be borne by said Modicare Consultant.
- 20.6.6. Decision, whether a Modicare Consultant had committed breach/ violated the Code of Ethics entitling Modicare Limited to recall/reverse/withdraw Pool benefits, shall be taken by Modicare Limited. Such decision of Modicare Limited shall be final and binding upon said Modicare Consultant. Modicare Limited shall not be required to give any evidence in support of its aforesaid decision.

## 21. TERMINATION, DE-SPONSORSHIP OR SUSPENSION BY MODICARE WITHOUT FORMAL COMPLAINT

- 21.1. Modicare may initiate termination, De-sponsorship, or suspension of a Consultant's business even in the absence of a formal complaint. Modicare shall not, however, take action against the Consultant until Modicare has first offered the violating Consultant an opportunity to explain and/or justify his conduct.
- 21.2. Where the violation has been of such magnitude as to bring into serious question the right of such Consultant to continue to operate his business, Modicare may terminate without affording the Consultant the opportunity to rectify his past improper conduct.
- 21.3. The Consultant shall have the right to request a review of the decision by Modicare.

## 22. DISPOSITION OF BUSINESS - PLACEHOLDER POLICY

- 22.1. Modicare reserves its right to dispose any Consultant position and place in the Line of Sponsorship which is vacant or abandoned either due to termination or de-sponsorship or resignation or by death or due to any other reason in accordance with the present clause.
- 22.2. Process:
- In the event that Modicare determines that it is necessary to terminate or de-sponsor, the Consultant Contract or a Consultant dies without leaving heirs who will assume the operation of the Modicare Business or resigns from the Modicare business, such Modicare business, shall be replaced by Modicare as the placeholder acquiring all rights with respect to the said Modicare business. The disposition of the business of such Modicare business will be determined by Modicare in its sole discretion. In exercising its prerogative to determine the disposition of such business, Modicare may elect to employ one of the following methods:
- 22.2.1. Sale/Assignment of Business: If Modicare elects to sell/assign the business, subject to the provisions of the Foreign Exchange Management Act and other applicable laws and regulations, the following will be observed:
- a) The business will be offered for sale/assignment to another Modicare Consultant, as applicable, recognising the order of priority imposed by Rule 8.
  - b) The terms of the sale will be set forth in written contract executed between Modicare and the purchaser.
  - c) The business will remain in its current position in the Line of Sponsorship and will be made a No.2 business of the purchaser.

- 22.2.2. Dissolution of Business - If Modicare so elects, the business will merge with the business of the first qualified sponsor Upline in the Line of Sponsorship.
- 22.3. No Limitation on Modicare:  
Modicare, however, is in no way limited to any of the above methods of disposition of a business and may exercise complete discretion as to methods and/or timing of disposition.

## 23. REVIEW BY MODICARE

- 23.1. Suspension of Authorisation Until Decision is made:  
In the event that a Consultant makes use of his right to appeal to the Review Panel, the decision taken by Modicare may be suspended until review has taken place and a final decision has been taken by the Review Panel. During this period of suspension:
- 23.1.1. The Consultant is not allowed to conduct any Modicare related activity,
- 23.1.2. The Consultant shall not represent himself as an Modicare Consultant,
- 23.1.3. Payment of any discounts, Commissions or other monies payable to the business are computed but are held in escrow by Modicare,
- 23.1.4. Whether the monthly Business Volume of the business is to be counted towards title, rewards, bonus qualification, plus any other incentive will be determined by Modicare based on the recommendation of the review panel. Recognition at all levels may be withheld by Modicare at its discretion.
- 23.1.5. The Consultant will not be invited to attend any seminars, Modicare sponsored trip within India and Abroad, events, trainings, which may be held during this period, even though they may have qualified for such business seminars prior to the period of suspension.
- 23.1.6. All references of the Consultant in print and media of any kind will be removed until the decision of the suspension is taken.
- 23.1.7. In the event the decision of the Review Panel is rendered in favour of the Consultant, Modicare shall restore full rights and privileges and pay the balance of monies previously held in escrow to the Consultant. Any administrative costs incurred by Modicare during these proceedings may be calculated and deducted from the money which were held in escrow.
- 23.1.8. In the event of any other decision taken by the Review Panel, Modicare shall decide what will happen with the monies held in escrow.

## 24. PROCEDURE FOR FILING AND APPEAL FOR REVIEW:

The request for review must be in writing and may be accompanied by any documents supporting this request. The request must be led within the time specified in the decision letter and is to be addressed to the Managing Director, Modicare Limited, 5 Community Centre, New Friends Colony, New Delhi 110025, India. If the request is led after the time limit, the request will be denied and the Consultant will be notified that his request has been dismissed.

## 25. MEMBERSHIP OF PANEL:

The Review Panel shall consist of appropriate personnel from the corporate staff of Modicare Limited as may be determined at that time by Modicare.

## 26. REVIEW PANEL MEMBERS ARE NOT ARBITRATORS

The Review Panel provides an internal procedure for the review of decision as to the termination, De-sponsorship or suspension of a Consultant. Members of the Review Panel do not, however, act as arbitrators. If the Consultant initiates litigation prior to the hearing by the Review Panel, the hearing shall be cancelled and the opportunity for review withdrawn by Modicare.

## 27. PROCEDURES FOR REVIEW BY PANEL

- 27.1. The parties may offer evidence and produce additional evidence independently or as the Panel requests. The Review Panel shall be the judge of the relevancy and materiality of the evidence offered. Strict conformity to legal rules of evidence will not be necessary.
- 27.2. Final Determination by the Review Panel:
- 27.2.1. The determination of the Review Panel will be communicated to all parties.

- 27.2.2. The Review Panel may affirm, reverse or modify the decision of Modicare.
- 27.2.3. If the determination of the Review Panel upholds or calls for termination of a Consultant, such termination will be confirmed by Modicare Limited notifying the Consultant that either:
- 27.2.3.1. The termination of his business has been confirmed as effective from the date of termination previously notified to the Consultant by Modicare or His or her business has been terminated by the Review Panel in which event the business shall be deemed to have been terminated by Modicare upon and by virtue of service of notice of the Review Panel's decision upon the terminated Consultant.
- 27.2.4. In the event that the Review Panel decides upon corrective action other than termination, then:
- 27.2.4.1. Notification of corrective action other than termination shall be communicated directly by Modicare Limited to the offending Consultant by letter sent by Registered Mail or various Digital modes including but not limited e-mail, whatsapp etc., with either the date for completion of any action by the Consultant or the dates(s) on which any action shall be taken by Modicare.
- 27.2.5. Modicare will take such steps as may be necessary to implement the Review Panel's decision.
- 27.2.6. The decision of the Review Panel shall not give rise to any liability on the part of Modicare Limited or Modicare to the Consultant, including but not limited to loss of profits or goodwill.

## 28. DISPUTE RESOLUTION:

Any dispute, differences or claim arising out of or in connection with the Consultant Contract shall be submitted to binding arbitration and shall be referred to the sole Arbitrator appointed in accordance with the Arbitration and Conciliation Act 1996 of India, as amended from time to time. The venue of such arbitration shall be at New Delhi and the award of the Arbitrator shall be final and binding on all parties. Subject to the above, courts at New Delhi shall alone have jurisdiction in relation to the Consultant Agreement and matters connected thereto.

These guidelines are subject to change from time to time. Failure to comply with the rules of conduct and these guidelines may result in action against your independent Modicare business.