

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 Distributor and the Direct selling Entity which 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 provisions of India Contract Act and Consumer Protection (Direct selling) Rules, 2021 (Hereinafter referred to as the Rules)

Whereas the Distributor 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 M/s Shopnet Marketing Private Limited (Registered under the Companies Act, 2013) and Registered Office at SCO-7, Sector-33, SUNCITY, Kaithal-136027 Haryana India.

And whereas the Direct Selling Entity is engaged in "Direct Selling business" which means marketing, distribution and sale of goods or providing of services through a network of Direct sellers as per its prescribed 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 Distributor, named below along with his/her KYC particulars therein has, after being explained all the provisions of the said Compensation Plan, product details and the present E-contract Agreement in the vernacular language known to him by Shri _____ ID No. _____, duly ascertained and satisfied by visiting the Direct selling entity's website www.shopnetindia.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.

NOW THEREFORE THIS DEED COVENANTS AS UNDER:

1. The Direct selling entity hereby covenants that it is fully compliant to the Consumer Protection Act, 2019, Consumer Protection (Direct Selling) Rules, 2021, Legal Metrology Act, 2009, 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 Distributor agrees :-
 - a. That this E-contract agreement has no provision that a Distributor will receive remuneration or incentive for the recruitment/enrolment only of new participants.
 - b. 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.
 - c. That it does not require a participant to pay any entry/registration fee / subscription fee, cost of sales demonstration equipment and materials or other fees relating to participation in the Direct selling entity's Direct selling business.

- d. That it has ascertained from the Compensation Plan provided by the Direct selling entity (The same may be read as part and parcel of this E-contract agreement as the same is not being reproduced here for the sake of brevity), the stipulated amount of any or all types of Incentives, rewards, etc. including financial and non-financial benefits payable to the Distributor are calculated only and only on the basis of effective sale, marketing and distribution of products and in no way on the basis of recruiting/sponsoring/introducing another Distributor.
3. **Cooling Off Policy:** That the Direct selling entity allows or provides to the Distributor herein a reasonable cooling off period in accordance with clause 3 (b) of the Rules, of the said Rules undertake to provide a newly registered Direct Seller a cooling off period of 30 days effective from the date of signing and execution of the contract agreement by him/her while registering as Distributor with us wherein the said Distributor can cancel the contract agreement without resulting in any breach of contract or levy of penalty.
4. **Buyback Policy:**
 - a) If the product is in marketable* condition and is returned within 30 days of receipt of goods accompanied by the original invoice, 100% of the amount as refund will be given.
 - b) If the product is in Unmarketable** condition and is returned within 30 days of receipt of goods refund value will be assessed by Grievance Redressal Officer and appropriate value will be given.
*Marketable refers to products that are unopened, sealed and undamaged in any form whatsoever.
**Unmarketable products are those which have been opened and its seal broken.
5. That the Distributor herein agrees that the Direct selling entity has established a "Grievance Redressal Mechanism" for consumers and Distributors to redress their grievances and complaints, annexed herewith which may be read as part and parcel of these covenants as the same is not being reproduced here for the sake of brevity.
6. The Direct selling entity herein does not require, invite or solicit a Prospect or a would-be Direct Seller to invest money in any form whatsoever to participate in its direct selling business. The Distributor shall however be required to bear the cost of products purchased by him/her and does not include any provision that the Distributor herein will receive compensation for the recruitment of other participants to participate. That he/she will receive compensation derived only and only from the sale, marketing and distribution of products, in accordance with the Compensation Plan provided and prescribed by the Direct selling entity, to which the Distributor hereby agrees to whole of this covenant in letter and spirit.
7. That the Direct selling entity will provide all support to the Distributor in delivery of the products through Franchisee/Pick-up centers / Available Courier/Transport or any other Logistics Service for maintaining effective support system.
8. That by accepting the Offer of the Distributor herein the Direct selling entity requires him/her to do and complete the following steps. An Individual/ Firm/entity eligible to enter into a contract as per the provisions of the India Contract Act, 1872 and wish to become a Distributor of the Direct selling business of the entity herein, can apply to

become an Distributor for marketing and selling of Direct selling entity's product on pan India basis, in prescribed form through online method.

- a. Fill the application form online and upload scanned KYC documents.
 - b. Accept the terms and condition of this E-contract agreement by clicking on "I AGREE" button below.
 - c. On the completion of the above process, the Distributor can take a printout of this agreement.
 - d. Upon the execution of this agreement and after the verification of all the KYC documents uploaded through the above process, the applicant shall be accepted as an Distributor 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 company on its website.
 - e. That the Distributor shall submit the following self-attested documents in hard copy to the Direct selling entity within 30 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" button at the bottom of these presents (agreement).
 - f. That the Direct selling entity upon scrutiny and verification of the Application and KYC particulars may re-consider its decision and reject application of the Distributor herein, to which the Distributor 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 the KYC and other documents in hard copy are found unsatisfactory, mollified. Forged or not conforming to Government guidelines prescribed for this purpose.
 - g. That the KYC shall include but not limited to verified proof of address, proof of identity, and PAN as per the provisions of the Income Tax Act, 1961, as follows, duly issued by the Government of India or a State/UT government.
 - i. Aadhaar Card
 - ii. Voter ID Card
 - iii. Passport
 - iv. Ration card
 - 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:
 1. CIN or Registration Certificate, MOA & AOA or Partnership Deed, as the case may be;
 2. PAN, GSTIN, FSSAI (wherever applicable)
 3. List of Directors / Partners of the applicant entity
 4. Board Resolution / Authorization in favor of the Director / Partner signing and executing this E-Contract agreement and Application.
9. The Distributor herein declares that he/ she / they has/have not been declared a 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 of unsound mind nor convicted by

any court of law in preceding five years” of the date of joining the Direct selling entity’s business herein.

10. The Distributor herein agrees that he/she shall take appropriate steps to ensure the protection of all sensitive personal information provided by the consumer with the applicable laws for the time being in force and ensure adequate safeguards to prevent access to, or misuse of, data by unauthorized persons.
11. The Distributor herein agrees that he/she shall not visit a consumer’s premises without identity card and prior appointment or approval.
12. **Scope of the Work:**
 - a. That the Distributor shall market, distribute and sell the products of the direct selling entity using word of mouth publicity, display and demonstration of the products, distribution of pamphlets, and door to door selling to consumers and prospective Distributors.
 - b. That the Direct selling entity shall be exclusive owner of the name and logo of the Direct selling entity. The Distributor shall not use the trademark, logotype and design anywhere without prior written permission from the direct selling entity. This permission, if given, can be withdrawn at any time by the direct selling entity. Violations if any, shall be termed as violation of this agreement and may result in termination of this agreement and Distributor-ship of the Distributor, penal actions under the prevailing IPR laws and Rules at the sole discretion of the entity herein to which the Distributor herein agrees.
 - c. That the Distributor shall not manipulate, alter, amend, add or delete any provisions of the Entity herein Compensation Plan, pricing of products, PVD/PV/BV/CV points etc., in any way whatsoever and shall not send, transmit or otherwise communicate any messages to anybody on behalf of the Direct selling entity, contrary to entity’s policies, principal, instructions and prescriptions without prior written authorization and permission for the same by the Direct selling entity.
 - d. That the Distributor will get specified percentage /points-based Incentives pertaining to the sales for selling the Direct selling entity’s products under this E-contract Agreement.
 - e. That the Direct selling entity hereby covenants that it shall provide to the Distributor with complete instruction book(s), catalogues, pamphlets for promoting sales, marketing and distribution and shall provide mandatory orientation training.
 - f. That the Direct selling entity shall issue photo identity cards to Distributor. This photo identity card shall be returned by the Distributor to the Direct selling entity at the expiry/termination/revocation of this agreement and/or shall be destroyed but shall not be misused in any way or form whatsoever. The identity card shall contain the Name & Unique ID number (FSSAI Number, if applicable) of the Distributor.
 - g. The Distributor will not be authorized to collect any type of cash/cheque/demand draft in his own name, on behalf of the Direct selling entity. All cheques/demand draft setc. 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. Distributor shall hold the said cash collection/cheque/DD in trust for and on behalf of the Direct selling entity. Upon failure to deposit the said cash collection/cheque/ DD, Distributor shall be liable to pay damages/compensation and Mesne-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 Distributor would not be authorized to issue any receipt/invoice on behalf of the Direct selling entity.

- h. That the Direct selling entity may open following facilities for sale of its products:
 - i. Online Portal/ E-commerce
 - ii. Stores (Retail Outlets)
 - iii. Authorized Sales Point / Pickup Center
 - i. That a Distributor is not authorized to sell any product of the Direct selling entity herein on one-commerce platform/marketplace, without prior written consent, permission or authorization of the entity herein the Distributor is also prohibited from listing, marketing, advertising, promoting, discussing, or selling any product, or the business opportunity on any website or online forum that offers auction as a mode of selling.
- 13. Sales Incentives/Commission Structure or other Benefit:** The Distributor shall be eligible for the following financial incentives and/or privileges:
- a. Incentives on the sales, marketing and distribution of products and/or services by the Distributor and his/her team or network of Distributors, as per the Compensation Plan of the entity herein, annexed herewith but not being reproduced here for the sake of brevity.
 - b. Distributor can Market, sell or distribute Direct selling entity herein's Products on Pan India basis. There is no territorial restriction or limit to sell the products.
 - c. He/she can always check and inspect his/her account on the Direct selling entity's website by using his/her Unique ID and Password allotted to him/her by the Direct selling entity.
 - d. That the Direct selling entity reserves the right to restrict the list of products for a particular area / region.
 - e. That price revisions, Government directives, market forces etc., may tend and force the entity herein to change the Direct Selling entity's Sales Incentive policy and the Direct Selling entity's decision in this regard will be final and binding. In all such cases, the amendments will be notified on the Direct Selling entity's website and such notifications shall be binding on the Distributor. However, if any Distributor does not agree to be bound by such amendment, he/she may terminate this agreement within 30 days of such publication by giving a written notice communicating his / her objections, if any, to the Direct selling entity. Without submission of the objection for modification etc., if a Distributor continues the Direct Selling business and activities of the entity herein then it will be deemed and presumed that he/ she has accepted all modifications and amendments in the terms & conditions for future.
 - f. That all payments and transactions shall be valued in India Rupees (INR).
 - g. That the Direct selling entity does not guarantee/assure / promise or offer any facilitation fees or any amount or quantum of income whatsoever to the Distributor on account of becoming a Distributor of the Direct selling entity.

- h. That Sales Incentive to the Distributor shall be subject to all statutory deductions as applicable like TDS etc.
 - i. That Sales Incentive accrued and paid to the Distributor is inclusive of all taxes.
14. That the Direct selling entity shall provide accurate and complete information to prospective and existing Distributors concerning the reasonable amount of earning opportunity and related rights and obligations.
 15. That the Direct selling entity shall pay all dues to the Distributor and make withholdings, if any, in a commercially reasonable manner.
 16. That Direct selling entity does not require a Distributor to maintain an office or establishment in furtherance of his/her entrepreneurship and if a Distributor does so then he / she himself/herself will be responsible to bear such expenses and the Direct selling entity will in no way be responsible to refund or reimburse the same.
 17. That Distributor covenants with the Direct Selling entity that it will exclusively engage in the sale of the Direct selling entity's products and shall not indulge in the sale of similar/identical products of any other entity/brand whatsoever.
 18. That Unique Identification Number will have to be quoted by the Distributor in all his/her transactions and correspondence with the Direct selling entity. The Unique Identification Number once allotted cannot be altered at any point of time. That no communication will be entertained without Unique Identification Number and password. Distributor shall preserve the Unique Identification Number and Password properly as it is must for logging on to the website of the entity herein.
 19. That the Distributor shall be faithful to the Direct selling entity and shall uphold the integrity and decorum to the Direct selling entity and shall maintain good relations with other Distributor and customers also.
 20. That the Distributor shall abide with policies, procedures, rules and regulations prescribed by the Direct selling entity as well as all laws, rules, regulations, directives and rules issued by Government of India, a State Government, a Local body, a Court of Law and local administration, from time to time. A Distributor 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 Rules and Clause 2(1), (18), (20) (41) to 4(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.
 21. That the Distributor shall be liable to produce/show/explain the Compensation Plan to the prospects as has been received by him/ her. If the Direct selling entity notices that the Distributor 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 Direct selling business with or without giving a show cause notice.
 22. That the Distributor cannot conduct or announce personal level business promotion activities by offering cash rewards, trips, valuables, etc.
 23. That the Distributor is personally liable for delivery of goods to its customers. He is also liable to collect products from where it reaches last by the transporter/courier.
 24. That the Distributor is prohibited from mentioning / posting / telecasting any inappropriate or defaming content about the Direct selling entity, its products, 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 reserves rights to initiate appropriate legal action against him / her.

25. That only one Distributor-ship code shall be issued on one PAN Card.
26. That the Distributor 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 Distributor of the Direct selling entity.
27. All statutory changes will be in force with immediate effect or as per the law prescribed.
28. Any notice or correspondence's addressed and sent to the Distributor's registered address, E-mail ID and Mobile Number mentioned in the Application Form for registration as Distributor by registered post or a Courier Service or E-mail or Whatsapp message shall be construed as legally delivered to the addressee. However, it is advisable that every Distributor shall immediately inform the Direct selling entity about the change in his / her address, E-mail ID and Mobile Number failing which the Distributor's non-deliverance claim shall not be tenable at any cost whatsoever.
29. The term of this E-contract agreement is at will, subject to earlier termination in accordance with this E-contract agreement or in accordance with law. If this E- Contract Agreement is terminated for any reason whatsoever, the Distributor understands that his / her right to sell the products and receiving incentives with respect of his/her activities as an Distributor will cease immediately. Direct selling entity reserves the right to terminate this E-contract agreement if any condition(s) of this E- Contract Agreement are violated by an Distributor.
30. **Limitation of Action:** If an Distributor wishes to bring any grievance to the notice of the Direct selling entity he can do so as per the "Grievance Redressal Mechanism" annexed to this agreement may be read as part and parcel of this agreement as the same is not being reproduced here for the sake of brevity.
31. **Indemnification:** That the Distributor agrees to protect, defend, indemnify and hold harmless 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:
 - a. Any breach of any statute, regulation, direction, orders or standards notified by any governmental body, agency, or regulator applicable to the Distributor including payment and deposit of taxes; on account of Income tax, GST, Trade tax, Professional Tax, whenever applicable and shall obtain necessary registrations/licenses whenever applicable and required under law.
 - b. Any breach of the terms and conditions of this E-contract agreement by the Distributor,
 - c. Any claim of any infringement of any intellectual property right or any other right of any third party or of law by the Distributor; or
 - d. Against all matters of embezzlement, misappropriation or misapplications of collection/moneys which may from time to time during the continuance of the Agreement come into his/her /its possession /control.
32. **Relationship:** That the Distributor understands that it is an independently owned business entity and this Agreement does not make it, Direct selling entity's employee, associate or agent or legal representative for any purpose whatsoever. The Distributor 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 the Direct selling entity or to bind the Direct Selling entity in any manner whatsoever. In case, an Distributor violates this provision in

any manner whatsoever then he/she shall be responsible for all types of consequences be it financial, statutory, civil or criminal.

33. Suspension, Revocation or Termination of this E-contract agreement:

- a. That the Direct selling entity reserves the right 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.
- b. That in case of violation of any of the provisions of this agreement stated here-in-before and agreed upon by the Distributor, the Direct selling entity may, without prejudice to any other remedy available, issue a one month's written notice and call upon the Distributor to explain his conduct in writing failing which or if the explanation is found unsatisfactory and unacceptable in the ordinary course of business, suspend/block/ terminate the Distributor from further conducting the business of the Direct selling entity.
- c. That the Distributor may terminate this agreement at any time by giving a written notice of one month to the Direct selling entity at the Registered address of the Direct selling entity.

34. Actions pursuant to Suspension/Blocking/Termination of this E-contract agreement:

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

- a. The Distributor shall not represent the Direct selling entity in any of its dealings.
- b. The Distributor shall not intentionally or otherwise commit any act(s) as would keep a third party to believe that the Direct selling entity is still having Direct selling agreement with the Distributor.
- c. The Distributor shall stop using the Direct selling entity's name, trademark, logo, etc., in any audio or visual form.
- d. All obligations and liabilities of such Distributor to the Direct selling entity existing on the date having accrued during the validity of this Agreement will have to be fulfilled, met and satisfied by the Distributor in every manner whatsoever.

35. Governing Laws and Regulations

- a. That this Agreement shall be governed by the provisions of the Indian Contract Act, 1872, the Consumer Protection Act, 2019, Consumer Protection (Direct Selling) Rules, 2021 or other laws of the land.

36. Dispute Settlement: The Distributor herein agrees and accepts that the remedial action available to him/her in the event of any interpretation of any question of law, dispute or difference arising under this agreement or in connection therewith (except as to the matters, the decision to which is specifically provided under this agreement), the same shall be as under:

- a. As per the Grievance Redressal Mechanism offered by the entity herein and forming part of this contract agreement;
- b. Thereafter, the dispute if any shall be referred to National Consumer Helpline or State consumer Helpline for effective Mediation;
- c. Disputes if any shall be resolved in accordance with the provisions of the India Arbitration and Reconciliation Act and mediation provisions of Consumer Protection Act, 2019

OR

- d. Referred to a legal forum dealing with consumer disputes having jurisdiction in the District of Kaithal, Haryana.
37. **Force- Majeure:** That if at any time, during the continuance of this agreement, the performance in whole or in part, by the Direct selling entity, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts, fire, floods, natural calamities/Disaster or any act of God (hereinafter referred to as event), neither party shall, by reason of such event, be entitled to terminate this agreement, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided that the Services under this agreement shall be resumed as soon as practicable, after such event comes to an end or ceases to exist.
38. **The Distributor hereby covenants as under:**
- a. That he/she has clearly understood the application form, Compensation Plan of the Direct Selling Entity, its limitations and conditions and he/she is not relying upon any representation or promises that are not set out in this E-contract agreement.
 - b. That relation between the Direct selling entity and the Distributor and all his/her activities here under shall be governed in addition to this agreement, by the rules / procedures contained in the Business/Compensation available on website. The Distributor confirms that he/she has read out and/or has been read out in the vernacular language known to him/her by the person named herein above, all the terms & conditions thereof and agrees to be bound by them.
 - c. That Distributor, hereby declares that all the information furnished by him/her to the Direct selling entity are true and correct. Direct selling entity shall be at sole discretion and liberty to take any action against the Distributor in the event, it is discovered that the Distributor furnished any wrong/false information to the Direct Selling entity.
 - d. The Distributor herein very well understands that violation of this contract agreement in any way whatsoever may result in termination of this agreement as per procedure laid down therein.

IN TOKEN OF HIS/HER AGREEING TO AND ACCEPTING ALL PROVISIONS OF THIS CONTRACT AGREEMENT SET HEREIN ABOVE, HE/SHE IS CLICKING ON THE "I AGREE" BUTTON GIVEN HEREIN.

I AGREE & ACCEPT

Name: _____ Bank A/C No/ _____

S/O Shri _____ IFSC Code _____

Resident of

Pin Code _____

State _____

PA NO. _____

AANDHAR NO. _____

Name of the Bank & Branch _____

AGREE & ACCEPT

NODAL OFFICER

M/S _____

ADDRESS _____

Mob no. _____

E mail: _____
