



FOHOWAY POLICY AND PROCEDURES

TABLE OF CONTENTS

INTRODUCTION OF THE DIRECT SELLING BUSINESS IN FOHOWAY	4
(A) CODE OF ETHICS TO BE FOLLOWED BY THE DIRECT SELLER:	4
(1) HOW TO BECOME A DIRECT SELLER	6
(A) DIRECT SELLER ENROLLMENT PROCESS:.....	6
(B) WHO CAN APPLY FOR DIRECT SELLERSHIP	6
(C) DETAILED REGISTRATION AND APPLICATION PROCEDURE	6
(D) TERMS AND CONDITIONS FOR DIRECT SELLER ENROLLMENT APPLICATION	7
(2) HUSBAND/WIFE DIRECT SELLER SHIP	8
(A) WHEN A MARRIED COUPLE APPLIES FOR JOINING.....	8
I. JOINT DIRECT SELLERSHIP	8
II. IN CASE ONE OF THEM IS ALREADY A DIRECT SELLER	9
(B) DIRECT SELLERSHIP POSITION IN SITUATION OF DIVORCE.....	9
(C) MARRIAGE OF DIRECT SELLERS.....	9
(3) INHERITANCE AND CONTINUANCE OF DIRECT SELLERSHIP	10
I. INHERITANCE	10
II. RETIREMENT	10
(4) VALIDITY AND RENEWAL OF DIRECT SELLERSHIP:.....	10
i. RESIGNATION:.....	11
ii. BREACH OF TERMS OF DIRECT SELLER AGREEMENT OR PRESENT POLICIES AND PROCEDURE	11
iii. DEATH OF DIRECT SELLER WITHOUT LEGAL HEIR:	11
iv. AUTOMATIC EXPIRATION:.....	11
(5) RIGHTS, INTERESTS AND RESPONSIBILITIES OF DIRECT SELLERSHIP.....	11
(A) RIGHTS & INTERESTS OF DIRECT SELLERSHIP	11
(B) OBSERVANCE OF LOCAL LAWS AND REGULATIONS.....	12
(C) OBSERVANCE OF FOHOWAY RULES AND POLICIES	12
(D) DIRECT SELLERS MEETING- RULES	12
(6) RESPONSIBILITIES OF A FOHOWAY DIRECT SELLER:.....	12
(A) RESPONSIBILITIES OF SPONSORSHIP	12
(B) RESPONSIBILITY TOWARDS PROMOTION OF FOHOWAY PRODUCTS AND BUSINESS.....	13
(C) RESPONSIBILITIES TOWARDS CUSTOMERS	13
(D) RESPONSIBILITY TO PROTECT THE FOHOWAY BRAND NAME – TRADEMARKS	14
(7) PROFESSIONAL PRACTICES BY DIRECT SELLERS TOWARDS CUSTOMERS	15
(8) PROHIBITIONS IMPOSED ON DIRECT SELLERS.....	16
(A) PRESERVATION OF LINE OF SPONSORSHIP	16

A-1 PROHIBITED ACTIVITIES	16
A-2 PROCEDURE FOR APPROVAL	16
A-3 ACTION TAKEN BY THE COMPANY	17
(B) PROHIBITED SPONSORING PRACTICES	17
(C) PROHIBITED SALES METHODS	17
I. RETAIL SALE	17
II. ONLINE SALE	18
III. EXPORT SALE	18
(D) RE-PACKAGING AND OTHER PROHIBITED ACTIVITIES	18
(9) RULES RELATING TO SALES SUPPORTING MATERIALS	19
(10) PROFESSIONALISM AND EMPLOYER-EMPLOYEE RELATIONSHIP	19
(11) COMPLIANCES UNDER THE DIRECT SELLING GUIDELINES	20
(A) PRODUCT RETURN POLICY FOR DIRECT SELLERS	20
(B) PRODUCT REFUND POLICY FOR FOHOWAY CUSTOMERS	20
(C) COOLING OFF PERIOD:	21
(D) PRODUCT BUY BACK POLICY	21
*TERMINATION CLAUSE	22
(12) PRODUCT PURCHASE POLICY	22
(13) INTERNET AND WEBSITE POLICY	23
(14) VIOLATIONS – CORRECTIVE MEASURES AND PUNISHMENT TO ENSURE CORRECTION	24
(A) PROCEDURE FOR DEALING WITH CASES OF VIOLATION	24
(B) CORRECTIVE MEASURES (CMS)	25
(C) PUNISHMENT AND RIGHT OF THE COMPANY UPON VIOLATION BY DIRECT SELLERS	26
(15) TERMINATION AND SUSPENSION OF DIRECT SELLERSHIP	27
(A) TERMINATION OF DIRECT SELLERSHIP:	27
(B) TERMINATION IN CASE OF INACTIVITY:	28
(C) SUSPENSION OF DIRECT SELLERSHIP:	28
(16) COMPLAINTS HANDLING PROCEDURE	29
(A) INTIMATION TO VIOLATOR	29
(B) INSUFFICIENT INFORMATION	29
(C) FORMAL RESOLUTION	29
(D) FAILURE TO COMPLY	30
(17) RIGHT TO REVIEW	30
(A) RIGHT TO CONDUCT AUDIT	30
(18) PRIVACY GUIDELINES	30
(19) ZERO TOLERANCE POLICY	31
(20) PROCEDURE FOR DISPUTE RESOLUTION	31

INTRODUCTION OF THE DIRECT SELLING BUSINESS IN FOHOWAY

The Policies and Procedure of the company Fohoway is designed to inculcate the sense of responsibility upon the direct seller, who will be involved in the Fohoway Direct Selling Business. The highest and utmost level of standard in individual conduct is expected at all times from all of the members involved in the business of direct selling of the products, in order to abide by the code of ethics and the set of Policies and procedures which have been set forth in this document, containing principles of moral and ethical conduct, applicable for both the company and its Direct Sellers together.

The Fohoway Policies and Procedures define and establish certain principles to be followed in developing Fohoway business and its maintenance and the rights, duties, and responsibilities of each Direct Seller of the company.

(A) CODE OF ETHICS TO BE FOLLOWED BY THE DIRECT SELLER:

The Code of Ethics and conduct are a set of rules and regulations that are of most concern, however, are not necessarily inclusive. No entire set of codes can cover all the instances and contingencies which we may face, and no system of check and balance with monitoring can detect all violations.

However, the associated Direct sellers have to attain detailed guidance based on the guidelines stated below.

I must pledge that: As the owner of my Direct Sellership, I agree to conduct my Fohoway India Business according to the following moral and ethical guidelines:

1. I will be honest and fair in my dealings as a Direct Seller.
2. I will conduct myself in a manner as to reflect the highest standards of honesty, integrity, and responsibility as I realise that my conduct as a FOHOWAY direct seller has far reaching effects.
3. I will uphold and follow diligently the Policies and Procedures and Terms and Conditions of Direct Sellership as mentioned in Direct Seller Application form as well as all applicable laws, rules, and regulations. I will observe not only “the letter” but also “the spirit” of the Rules.

4. I will be very prompt and courteous while carrying out my services to the customers.
5. I will be efficient in taking and servicing orders from my customers, and I will handle their complaints honestly.
6. I will always carry out and perform my FOHOWAY business in a manner that will enhance my reputation along with the reputation established by FOHOWAY India.
7. I will represent FOHOWAY products, related business opportunities, business plan , trainings and other various business and growth related opportunities of FOHOWAY to all the FOHOWAY prospective direct sellers and customers in a very fair, diligent, and truthful manner, not concealing or falsely representing the brand and its policies in any manner whatsoever.
8. I will never make any falseful representations and only give presentation of the plans that are approved in the official publications of FOHOWAY India.
9. I will never sell FOHOWAY products to any retail outlets/individual shop owners/e-commerce websites, but I will only sell directly to my authorised personnel's down-line and the consumers I encounter.
10. I will not sell any promotional/ complimentary product to retail outlets/e-commerce website etc. which FOHOWAY may provide for the consumers, nor will I refrain from selling the promotional/complimentary product to the consumers by keeping it for myself or conduct any business malpractice regarding the same.
11. I will fulfil my leadership responsibility as a Sponsor of FOHOWAY and perform my duties of training, supporting, and communicating with other Direct Sellers of FOHOWAY
12. I will never at any cost engage in deceptive or illegal practices and will never misrepresent brand name of FOHOWAY, neither its products nor the Business plan.
13. I will use only the FOHOWAY's authorized publications in my FOHOWAY product selling activities, and for the purposes of protecting the FOHOWAY Business Plan.
14. I understand and agree that I am solely responsible for all financial and/or legal obligations that I will incur in the course of my business as Direct Seller and will discharge all debts and duties as required while acting as a Direct Seller.

(1) HOW TO BECOME A DIRECT SELLER

(A) DIRECT SELLER ENROLLMENT PROCESS:

In order to become a Direct seller for our company a person should :

- i. Fill up, sign, and submit the Direct Seller Application Form available for appropriate authorization from the company in order to become a Direct Seller.
- ii. The Direct Seller Application Form must be duly filled by the individual truthfully in all respects and should accompany all necessary documents like their Pan Card, Address proof, Bank details etc.
- iii. If at any given point the details of the above-mentioned documents are altered, the same should be intimated and proof of such alteration has to be furnished within 30 days to the company for updation of the direct seller profile.
- iv. FOHOWAY management has to sole right to accept/ reject the received applications.

(B) WHO CAN APPLY FOR DIRECT SELLERSHIP

We at FOHOWAY India, welcome all persons aboard and provide equal opportunity to everyone, we do not discriminate between applicants on the basis of their educational qualifications/caste/creed/gender/religious or political beliefs.

- i. Those who wish to apply for Direct Sellership should have attained majority and must be recommended by any authorized Direct Seller.
- ii. The individual should be in compliance with all the points mentioned under the Section 11 of The Indian Contract Act, 1872, before applying for Direct Sellership. If any discrepancy is found in the Direct Seller application the application form will be rejected/ Direct Sellership be cancelled with immediate effect.

(C) DETAILED REGISTRATION AND APPLICATION PROCEDURE

- i. During the Registration process applicant will have to furnish his Pan Card issued by the Government of India for tax and business purposes, after verification of which he/she will be provided with a unique identifying number, as a confirmation of his/her Direct sellership

- ii. The applicant shall confirm that he/she has read the policy and procedures requirements and has completely understood all contents of the FOHOWAY Business Guide before entering into the Direct Seller Agreement with FOHOWAY and confirm that he/she have been explained all contents of the agreement by any recommending, sponsoring, existing Direct Seller in the language known by him.
- iii. The information provided by the applicant should be true and valid; they are not permitted to borrow, apply in others' name, or use other illegitimate methods to become Direct Seller; in such cases FOHOWAY reserves the right to pursue the relevant remedies (including instant termination of his/her the Direct Sellership)
- iv. After filling up the Application form the applicant must send the form immediately to FOHOWAY the Direct Sellership number and identity card will be issued upon forms approval by FOHOWAY, whereby the applicant can become a Direct Seller.
- v. **Informal Partnerships:** In the case of an informal (unregistered) partnership, the Direct Sellership shall be only under the names of the individual partners and not under a business name that the partnership might use for other transactions. It is only if the Partnership is duly registered that FOHOWAY will permit the direct sellership to be taken in the name of partnership formed with the object of doing FOHOWAY business and all partners agreeing to bind themselves to the present policies and terms and conditions.

(D) TERMS AND CONDITIONS FOR DIRECT SELLER ENROLLMENT APPLICATION

- i. Any individual willing to be a part of the direct selling business should be in compliance with the Clause 5: of the Direct Selling Guidelines 2016.
- ii. The individual who wanted to join FOHOWAY as a Direct seller must furnish any/all of the following documents in order to complete his/her KYC- Aadhar Card/ Driving License/ Passport/PAN or any other document issued by the state or the central government which can be verified. Any fault/ inconsistency appearing in the same will/might lead to rejection of his/her application.
- iii. There must be only one Direct Seller per PAN Card.

- iv. The regular employees of the FOHOWAY Group and their direct relatives forming part of class 1 are not eligible to apply for Direct Sellership. E.g., parents, spouse, children, and siblings, etc.
- v. **TRANSFERIBILITY:** It is not permitted to transfer or sell his/her Direct Sellership to anybody. In cases of violations of this rule, FOHOWAY will regard the sale or transfer as invalid, and all the legal liabilities and losses incurred thereof will be borne by the offender.
- vi. A distinct and unique Direct Seller number will be allotted to the Direct Seller, upon acceptance and enrollment in the company as a Direct seller and this number will be the only way of their identification; in other words, each Direct Seller carries one single distinct Direct Sellership number.
- vii. The applicant must have undergone the orientation session to understand all the aspects of the direct selling business, remuneration system and expected remuneration of new direct seller.
- viii. It is not permitted for a Direct Seller to sell products of other Direct Selling Companies or influence any other Direct Seller to do the same in such cases suitable action as per the company policies will be taken, if any direct seller is found to be in contravention of this clause.
- ix. Direct Seller shall continue to remain one in the records of the company until and unless the agreement is terminated by any/or of the provisions mentioned under the Terms and Conditions of the Direct Seller Enrollment Form.
- x. An incomplete, incorrect, or fraudulent application will be deemed invalid from its very inception.

(2) HUSBAND/WIFE DIRECT SELLER SHIP

(A) WHEN A MARRIED COUPLE APPLIES FOR JOINING

I. JOINT DIRECT SELLERSHIP

The case where, the husband and wife are willing to become Direct Sellers(s) , they can sponsor together /jointly for a single Direct Sellership, and not in different lines of Direct Sellerships . By signing jointly on one application, they will operate as a single entity, and will be thereby equally liable for their actions and will have the obligations of Direct Sellership.

They must abide by the policy and procedures; if either of them violates any Rules of the policy and procedures, they must jointly take the full responsibility of their actions and will thereby be liable for any action under these policy and procedures.

FOHOWAY reserves the right to terminate a Direct Sellership if the spouse engages in activities which, in FOHOWAY's opinion diminish, damage, or weaken the reputation of FOHOWAY or its product.

II. IN CASE ONE OF THEM IS ALREADY A DIRECT SELLER

If either of the spouse is already a Direct Seller, then the other spouse upon being elected as a Direct Seller must join the same Direct Sellership.

(B) DIRECT SELLERSHIP POSITION IN SITUATION OF A DIVORCE

The separation between the couple should be accomplished in such a way that it does not adversely affect the interests/income of the business in the line of sponsorship under the Direct Seller chain.

When divorce occurs between a couple who possess a single Direct Sellership, the following regulations shall be complied with:

- Neither party will operate or administer, together or separately, any other FOHOWAY business without the approval of the company.
- Should the former couple be unable to reach on an agreement, FOHOWAY will temporarily freeze the money in the name of the Direct Sellership until an agreement is reached or shall decide the matter as per personal law applicable to them on the basis of their religion.
- If one of the couples does not intend, or according to FOHOWAY requirements he/she is not eligible, to be a Direct Seller, then he/she does not need to sign up for application.
- He/she has no right to make any claim/decision regarding any behavior of his/her spouse as Direct Seller.
- If he/she intends to join his/her spouse to build FOHOWAY business together, he/she shall obtain formal consent in writing from the spouse, and then apply formally to FOHOWAY.
- The Direct Sellership will be considered valid upon approval by FOHOWAY.

(C) MARRIAGE OF DIRECT SELLERS

In case two Direct Sellers get married in future, after joining the direct sellership separately in past, there are two options available to the married couple based on the

criteria described as above, either they can retain both their original Direct Sellership, or either of them can relinquish their status to become a direct downline of their spouse and continue with a joint direct sellership.

(3) INHERITANCE AND CONTINUANCE OF DIRECT SELLERSHIP

I. INHERITANCE

If a deceased Direct Seller has a designated inheritor, legal inheritor who is in possession of Direct Sellership, the latter must choose one among the two Direct Sellership and then the other is forfeited.

II. RETIREMENT

In case the Direct Seller loses his/her working capacity or is 65 years of age or older, FOHOWAY, with a view of continuing to expand FOHOWAY network, permits the Direct Sellership to be passed from one generation to another; the Direct Seller is allowed to designate in advance, according to their own wishes, a direct relative (children or spouse) eligible for Direct Sellership, so as to pass on the same; the original Direct Seller loses their Direct Sellership from the date when it is passed on.

III. DEATH

- i. If a Direct Sellership belonged to a couple, when one spouse from that couple passes away, the surviving Direct Seller will be in charge of the business during the time stipulated and shall (by will or by the operation of law) inherit all rights and obligations of the deceased.
- ii. In case the Direct Sellership belongs to a deceased individual who has a designated inheritor, legal inheritor, or designated gift receiver eligible for Direct Sellership, FOHOWAY will support the latter to apply for Direct Sellership and the original individual loses their Direct Sellership from the date of inheritance.

SPECIAL CLAUSE : if the person who receives the Direct Seller Ship is already a Direct Seller, the person must chooses one among the two Direct Seller Ships and then the other one is cancelled.

(4) VALIDITY AND RENEWAL OF DIRECT SELLERSHIP:

Direct Sellership shall continue to remain in force unless the agreement is terminated as provided herein below-

- i. **RESIGNATION:** A Direct Seller can resign from his/her FOHOWAY Business at any time by sending a letter to FOHOWAY India with a copy to his Sponsor along with the highest rank holder of its network.
- ii. **BREACH OF TERMS OF DIRECT SELLER AGREEMENT OR PRESENT POLICIES AND PROCEDURE:** If a Direct Seller is found to be in violation of the Terms and condition of direct sellership and/or do not abide by the present policies and Procedure then in such a situation FOHOWAY reserve its right to initiate disciplinary action and take suitable action such as suspension or termination against his/her direct sellership.
- iii. **DEATH OF DIRECT SELLER WITHOUT LEGAL HEIR:** If a Direct Seller dies without leaving behind any legal heirs who are willing to carry his/her direct sellership forward or are not considered competent in the best interest of the company then the company can terminate that direct sellership.
- iv. **AUTOMATIC EXPIRATION:** if the Direct Seller doesn't place any order within a period of 24 months from the last purchase, he/she may apply for Direct Sellership in the next month following the termination; failing which , they shall be deemed to be inactive and their Direct Sellership shall be terminated automatically, thereafter, he/she may not apply until they serve an inactivity period of 6 months after their termination.

(5) RIGHTS, INTERESTS AND RESPONSIBILITIES OF DIRECT SELLERSHIP

(A) RIGHTS & INTERESTS OF DIRECT SELLERSHIP

A person having Direct sell er Ship is entitled to the following rights & interests:

- i. to buy and use FOHOWAY products.
- ii. sell FOHOWAY products for retail profits.
- iii. participate in FOHOWAY Compensation Plan and other incentives offered by the company.
- iv. plans and receives relevant incentives and compensations.
- v. sponsor other eligible persons to join FOHOWAY to build direct-selling career.
- vi. participate in other events organized under authorization or by FOHOWAY management.

(B) OBSERVANCE OF LOCAL LAWS AND REGULATIONS

Every Direct Seller must abide by all local laws and regulations, especially those laws, rules and commercial rules related to direct-selling operations; Direct Sellers must not indulge in any fraudulent or illegal transactions, nor should he/she participate in any kind of activity that might compromise FOHOWAY reputation.

(C) OBSERVANCE OF FOHOWAY RULES AND POLICIES

When carrying out any activities related to FOHOWAY business (including retailing, sponsoring and meetings, etc.), Direct Sellers must identify themselves as such by producing their FOHOWAY identity card. Direct Sellers must always completely abide by the policy and procedures document, FOHOWAY business plan and other relevant methods, rules, policies, procedures, regulations, measures, and revisions, prescribed from time to time.

(D) DIRECT SELLERS MEETING- RULES

A meeting must be called in accordance with the rules and regulations mentioned in the policies and procedure. A meeting organized by Direct Sellers must have the theme/purpose of training Direct Sellers and should be utilized efficiently for promoting FOHOWAY business or FOHOWAY products only. The organizer of the meeting is expected not to gain any personal benefit beyond the FOHOWAY Business Plan. Therefore, through the process of conducting such meetings the goal is to achieve personal benefits as well as fulfilling the progressive objectives of the Brand.

The Direct Seller who owns name/marks of networking/center must report to FOHOWAY to register such marks and names. The marks cannot be used until being officially approved by FOHOWAY. Any network without the prior consent from FOHOWAY is not permitted to use such network/center name/marks to carry out direct-selling activities.

(6) RESPONSIBILITIES OF A FOHOWAY DIRECT SELLER:

(A) RESPONSIBILITIES OF SPONSORSHIP

When sponsoring others to become Direct Sellers, a Direct Sellers must represent the FOHOWAY Business plan and FOHOWAY Policies and Procedures truth fully and honestly. During the representation, the Direct Sellers must especially stress on the following points:

- The qualification of becoming a Direct Sellers.
- Importance of attending various meetings organized by FOHOWAY.
- FOHOWAY Policy and Procedures.

- Obligations and responsibilities of Direct Sellers.
- Business Plan.
- Categories, prices, indications, quality, and purposes of FOHOWAY products.
- Resignation conditions of the Direct Sellers.

The sponsoring Direct Seller must fulfill the following responsibilities:

- Giving their downlines regular trainings, guidance, and encouragement for retaining products.
- Keep in touch with all members of the network and solve their problems whenever it is necessary.
- Providing special trainings to ensure that all Direct Sellers in the direct-selling network operate according to FOHOWAY Business Plan.
- In case of any disputes among the downlines, mediating and solve or reconcile the disputes in prompt and friendly manner.
- Supervising the performance of the downline Direct Sellers to ensure professional operation and compliance with professional ethics standards, proper promotion of FOHOWAY business and superior services.

(B) RESPONSIBILITY TOWARDS PROMOTION OF FOHOWAY PRODUCTS AND BUSINESS

- The Direct Sellers may not take advantage of the powers of individuals, enterprises, or other organizations to sell FOHOWAY products or introduce new Direct Sellers in any improper manner such as intimidation or threats or follow any unfair trade practices.
- It is not permitted to sell products or recruit Direct Sellers in a door-to-door way, or to sell products or present FOHOWAY Business plan to stranger/passersby on public occasions, festivals, melas, religious gatherings etc.
- In case of all major claims or complaints made by Direct Sellers from his/her network, the Direct Seller must promptly report to FOHOWAY, and provide it with all written materials and dialogues to constantly improve the service levels of FOHOWAY.

(C) RESPONSIBILITIES TOWARDS CUSTOMERS

- No Direct seller shall harass/coerce/force any customer to buy any product of the company.

- ii. Spamming / overuse of electronic messages or e-mails containing promotional / abusive messages to clients/customers is strictly prohibited.
- iii. A Direct Seller will limit its messages sent to consumers, so the latter does not receive more than 2 mails/messages per week.
- iv. The messages/ mails if false or derogatory in nature will considered not to be a part of FOHOWAY brand and the sole responsibility and consequence of sending the same will lie upon the direct seller.
- v. If any Cash on Delivery (COD) order has been placed by the FOHOWAY Direct Seller , then the same will be taken as confirmed sale on the part of the Direct Seller by the company and accordingly all the risks and rewards shall be transferred on to him.
- vi. If a Direct Seller is in any way involved legally or in any other manner in any dispute/activity that might involve and effect the reputation of the brand negatively, such a Direct Seller must inform FOHOWAY immediately without delay else they solely will have to bear the legal consequences of the same.
- vii. The Fohoway Direct Seller shall at all times represent himself and the brand truthfully and honestly to the consumers.

(D) RESPONSIBILITY TO PROTECT THE FOHOWAY BRAND NAME – TRADEMARKS

- i. The FOHOWAY trade name, trademarks and service marks are important and valuable business assets of the company. They are helpful in identifying the source and reputation of the business, products, and services of the company and also distinguish the products of the company from those of its competitors.
- ii. The Direct Seller must be aware that all FOHOWAY trademarks, medals, symbolic badges, designs, layout of books/ magazines, audio and visual materials, as well as all industrial property rights and copyrights and other rights related to policies and procedures and products used by FOHOWAY are the properties of FOHOWAY. All these have been registered, used, and authorized for the exclusive use by FOHOWAY.
- iii. FOHOWAY will not allow the use of its trademarks, tradename, symbols, designs by any person including any Direct Seller without prior permission. The Direct Seller shall not misuse FOHOWAY brand name and trademarks in the following ways:

- Advertise or broadcast FOHOWAY business activities or FOHOWAY products in any media.
 - Print any FOHOWAY brand and trademarks on his vehicles except using the stickers distributed by FOHOWAY.
 - Produce or obtain and sell any goods printed with FOHOWAY or FOHOWAY symbols and trademarks through other sources other than FOHOWAY.
 - Use the name FOHOWAY as the name for any organization/business or authorize others to use such names.
 - Without prior permission of FOHOWAY, nobody permitted to use FOHOWAY name or trademarks.
- iv. It is not permitted to try and register FOHOWAY name or trademarks with official or semi-official organizations, or to raise objections in any form or claim any rights about them. Where registrations have been applied for, objections raised, or rights claimed, special instructions from FOHOWAY must be followed.
- v. If the Direct Seller fails to follow the above rules, then FOHOWAY will initiate appropriate proceedings in the competent court of law against such defaulter.

(7) PROFESSIONAL PRACTICES BY DIRECT SELLERS TOWARDS CUSTOMERS

The Direct Seller shall always behave in a courteous and considerate manner and they shall not engage in any high-pressure selling activity, but the direct sellers are bound to give fair presentation of FOHOWAY Products while they are demonstrating such products to the prospective direct sellers or customers.

The Direct Seller shall never impose themselves upon their prospective customer and shall abide by the following :-

- take a prior permission or appointment before approaching a prospective customer and shall indicate the purpose of their visit and identify themselves as a FOHOWAY Direct Seller.
- fix time & place for inspection of the sample and delivery of goods, if customer so desires.
- shall provide their name, address, and mobile number along with the name, address and contact details of the company to the customers at the time of selling the Fohoway products,

- carry identity card provided by FOHOWAY along with any photo ID's issued by any Government agency.
- If the customer indicates a desire not to continue the discussion, the Direct Seller shall immediately leave the premises of the customer.
- It is not permitted to import or sell any FOHOWAY products or to export or help others to export FOHOWAY products, FOHOWAY products can only be sold at the prices prescribed for local markets by FOHOWAY.
- It is not permitted to represent and promote non-FOHOWAY products or services in any manner whatsoever.

(8) PROHIBITIONS IMPOSED ON DIRECT SELLERS

(A) PRESERVATION OF LINE OF SPONSORSHIP

FOHOWAY protects the Line of Sponsorship (LOS) and LOS Information for the benefit of FOHOWAY and all its Direct Sellers. FOHOWAY keeps LOS Information proprietary and confidential and treats it as a trade secret. The Direct seller agrees that the LOS and LOS Information are confidential, commercial, and proprietary information (hereinafter referred to as "Trade Secret") owned by FOHOWAY and shall not be disclosed by the Direct seller to any person whatsoever.

A-1 PROHIBITED ACTIVITIES

- No Direct Seller will entice or encourage anyone from other line of sponsorship to join his/her Line of Sponsorship either directly or indirectly.
- Under no circumstance / or for helping any person directly/ indirectly will a Direct seller either solicit . interfere, attempt, or induce any other person or Direct seller to leave/ change his/her line of sponsorship.

A-2 PROCEDURE FOR APPROVAL

Any Direct Seller who wants to change their Line of Sponsorship must submit a written request to FOHOWAY along with the documents as mentioned below :

- (1) A written release signed by all the Direct sellers in his Line of Sponsorship up to and including the Direct Seller holding Gold Card, and
- (2) A written acceptance from the new Sponsor and the Direct Seller holding Gold Card.

However, FOHOWAY at its discretion can withhold any of the Approval applications received.

A-3 ACTION TAKEN BY THE COMPANY

Any person who is found to be in violation of this Rule will face termination from his/her new direct sellership and be sent back to his/her original direct sellership with or without group based on investigation results.

(B) PROHIBITED SPONSORING PRACTICES

FOHOWAY complies with the directions given in Direct Selling Guidelines, 2016 by Central Govt. and encourage its direct sellers to follow the same. There is no joining fees, mandatory purchase, or minimum stock of product to maintain in FOHOWAY. Neither the new Direct seller nor any existing Direct seller is required to do the following, as a condition to join the companies business or as a condition to get assistance from the company or its Direct Sellers .

- i. Pay any joining fee or purchase any specified amount or value or quantity of products.
- ii. Maintain a specified minimum inventory of FOHOWAY products or purchase any non- FOHOWAY “product” or other “pack” or “Starter Guide”.
- iii. Purchase tickets for and/or attend or participate in particular rallies, seminars, or other meetings organized by other Direct Sellers.
- iv. A Direct Seller is not required to purchase FOHOWAY products for an amount or quantity that exceeds the amount for which such products can be expected to be sold or resold to consumers.

The only requirement which a sponsoring Direct Seller can impose upon a prospect whom he/she is willing to Sponsor is that the prospect shall fill and sign an Application for Direct Sellership Authorization Form and submit it to FOHOWAY, in order to receive a Business Starter Guide and an Identity Card from FOHOWAY.

(C) PROHIBITED SALES METHODS

I. RETAIL SALE

Direct Seller must order goods directly from FOHOWAY branches or its authorized stores. Direct Sellers must sell products at prices prescribed by FOHOWAY. they

are not allowed to add any surcharges, Direct sellers may not sell products to third parties for re-sale, to or through any business entity or to any type of retail establishment. They may not establish or operate their own FOHOWAY retail businesses. FOHOWAY reserves the right to test or undertake alternative selling methods.

II. ONLINE SALE

Direct sellers are prohibited from using the Internet to sell or auction FOHOWAY products. The only authorized Internet selling is a FOHOWAY-provided website <https://www.fohowayindia.com/>. Direct sellers are also prohibited from utilizing FOHOWAY-sponsored websites / channels to solicit funds or other items for non-FOHOWAY-sponsored programs or activities, whether charitable or otherwise, from customers/representatives or any other party.

III. EXPORT SALE

Only FOHOWAY-designated/authorized Direct sellers and Affiliates are permitted to receive exported shipments of products from any designated location. FOHOWAY Direct sellers may not make export shipments of FOHOWAY products nor may they knowingly sell products to other individuals who intend to export those products.

Direct Seller shall not sell FOHOWAY product range to or through retail outlets/shops or ecommerce platforms as it is not permitted under the Direct Selling Guidelines, 2016 and company's sales policy. The products will be sold through the FOHOWAY Authorized Stores, Branches and FOHOWAY'S online shopping portal only.

(D) RE-PACKAGING AND OTHER PROHIBITED ACTIVITIES

- i. The direct seller is not authorized to re-package or alter the labelling of the products or to tamper in any way or manner the free/promotional products offered on behalf of any particular product brand of FOHOWAY.
- ii. Each Direct Seller is liable to pay taxes on any of the income generated by him/her as a Direct Seller and are required to provide FOHOWAY such tax details information forms or declarations as FOHOWAY is legally required to submit to the relevant governmental bodies or agencies.
- iii. It is not permitted to make fraudulent behaviors, hoard up products for market speculation, or manipulating sales volumes or disrupt market orders.

- iv. Without prior permission of FOHOWAY, it is not permitted to accept media interviews or reports in the capacity of a Direct Seller.
- v. No Direct Sellers is permitted to take slandering, threatening or intimidating actions in any form against FOHOWAY employees for the official activities they are performing in the course of their employment.
- vi. The Direct Sellers are not permitted to participate in any political or religious activities while pursuing FOHOWAY business no matter when or where it happens, or to make such behaviors as personal idolism, collusion, and association etc.

(9) RULES RELATING TO SALES SUPPORTING MATERIALS

- i. All journals/magazines and video/audio materials created and published by Fohoway under protection of local copyright laws; without prior permission of the company the Direct Sellers or any other person may not reproduce, reprint, produce and copy the above-mentioned materials in whole or in part in any form. Otherwise, all legal liabilities incurred shall be borne by Direct Sellers themselves; and according to law FOHOWAY reserves its right to make claims for any losses it may sustain or incur.
- ii. Direct Sellers can only use the words, audio/video materials published by FOHOWAY and for the sole purpose of helping to build FOHOWAY business.
- iii. Without prior authorization by FOHOWAY, the Direct Sellers may not create, publish, or sell in any form sales-supporting materials related to FOHOWAY or its products, whatsoever.

(10) PROFESSIONALISM AND EMPLOYER-EMPLOYEE RELATIONSHIP

- i. A direct seller shall at all times conduct himself in most courteous manner and shall never engage in high-pressure selling by coercing clients and demonstrating the products wrongfully.
- ii. The Fohoway Direct sellers are independent sellers and not agents of FOHOWAY, there will be no employer-employee relationship showcased by the Direct seller, and he may not represent himself as the employee of the company.

(11) COMPLIANCES UNDER THE DIRECT SELLING GUIDELINES

(A) PRODUCT RETURN POLICY FOR DIRECT SELLERS

- Direct sellers may only return to FOHOWAY, those products which they purchased directly from the company within the prior 1 month and should provide, if requested, proof of purchase. Likewise, Direct sellers are required to accurately provide the report stating reasons for return.
- The Direct Seller must at all times return the product(s) to the company office.
- The Period of return for the products is to be calculated as the number of days from the invoice date, to the date at which the receipt is finalized after depositing the products at the FOHOWAY office.
- The products will be subject to be returned only if they are in 'saleable and marketable 'condition'.
- Condition' refers to the situation under which the stock is received back from Direct Seller as a return. The product should not be damaged/expired/tampered/old stock/ and should be available for sale within the product catalogue.
- If the unsold products return is greater than or equal to 6 in number on a single invoice, 10% handling charges will be deducted.
- Total returns cannot exceed the quantity appearing on the invoice.

If the products are returned by customers directly to FOHOWAY, the BV adjustment shall be done from the Direct Seller's account and any excess amount paid shall be recoverable from the Direct Seller.

(B) PRODUCT REFUND POLICY FOR FOHOWAY CUSTOMERS

We stand behind the quality of FOHOWAY Products.

The products we deliver to the consumers in no way cause damage or any kind of injury to the consumers, if they are effectively used by the consumers in the prescribed manner as mentioned on the retail box as well as explained by our direct seller to the consumers.

FOHOWAY carries product liability and insurance on their products which covers injury and damage where a genuinely faulty product is involved (subject to tests

conducted after complaint), but it will not cover any careless, rash, or negligent application or improper use of the product by the consumer. This does not cover any product sold / bought by a consumer from a source which has not come from our registered Direct seller.

All FOHOWAY products are covered under by FOHOWAY 's Customer Product Refund Policy.

Customers are guaranteed 100% product satisfaction, If the customer is not completely satisfied, he/she is entitled to return the products within 30 days from the date of purchase/delivery of the product. They can obtain a new replacement for any defective product from the Direct Seller, they can cancel the purchase, return the products, and obtain a full refund from the Direct Seller. Whenever a customer requests Product Refund service within the stated period, the Direct Seller shall immediately offer the customer the choice of –

- Refund of money paid as per the current refund policy.
- Exchange for a like product
- Full credit for exchange with another item

FOHOWAY reserves the right to reject repetitive product returns. If paid by credit card, refunds will be issued to the original credit card provided at the time of purchase and in case of payment gateway, the refund would be paid back in the same account which was used for purchasing the products.

(C) COOLING OFF PERIOD:

FOHOWAY also offer to its Direct Sellers a 30 days cooling off period from the date of their joining, within which the direct seller may cancel the contact without being subject to any penalty and seek refund for any marketable product purchased within such time upon returning such product in “currently marketable” condition.

(D) PRODUCT BUY BACK POLICY

FOHOWAY shall buy back any unsold, saleable FOHOWAY products (other than literature) which has been purchased within the previous one month from any Direct Seller who terminates his/her Direct Sellership. The products should be returned with relevant invoices and should be unopened and in marketable and saleable condition. Upon receipt of these items, reimbursement will be issued to the Direct Seller for the full amount paid for the returned product by the Direct Seller after deduction of 10%

processing fee. Shipping charges, taxes paid on the original order will not be reimbursed. FOHOWAY will deduct the amount of commissions or any other earnings, benefits paid on the returned products from the appropriate Direct Seller and adjust ranks as required. FOHOWAY notifies and provides a full refund or buy-back guarantee to every Direct Seller on reasonable commercial terms which can be exercised within a period of 30 days, from the date of the distribution of the goods or services to the Direct Seller.

***TERMINATION CLAUSE**

If requested upon termination of a Direct sellership with FOHOWAY, we agree to re-purchase/ buy back products from the direct seller, except in cases of violations of the entire terms and conditions of the agreement. All of the following conditions should be met for the Direct seller to get a refund:

- Returns to be made within a period of 1 months from the date of purchase.
- Refund will be made at 90% of the original price paid after the deduction of cost of loss borne by the company.
- Items returned must be currently in a marketable condition and in the inventory of the brand, they should not to be tampered/expired/shelved/promotional free products and kits and should still be available in the FOHOWAY product catalogues.
- Admission tickets to attend seminars, meetings, or other events.

(12) PRODUCT PURCHASE POLICY

The supply of goods by FOHOWAY under an invoice will be in accordance with the terms and conditions of sale-purchase herein:

- All sale - purchase contracts and transactions done by the company are subject to the companies discretion.
- Buyer is requested to verify the quality and quantity of the good before accepting delivery. No claim will be entertained once the goods have been handed over to the buyer.
- Each lot/installment of goods delivered under an invoice shall be deemed to be sold under a separate contract.
- FOHOWAY 's legal title of the goods shall cease to exist as soon as the goods are handed over to the buyer/carrier as the case may be and thereafter buyer shall be responsible for the safety of the goods.

- In case of failure to take delivery of the goods so, buyer shall be liable for storage, demurrage cost and all other expenses. FOHOWAY will not be responsible for delays and non-delivery of goods by carrier due to Force Majeure conditions in course of transit / delivery or any loss arising therefrom.
- Price is inclusive of all taxes as on date of sale. Any levy/increase in taxes/freight in respect of goods sold, before/after delivery shall be reimbursed by the Buyer to FOHOWAY.
- Refund of Statutory Levies already collected will be allowed only on rejected goods received as per FOHOWAY 's returns policy.
- The quantity, quality, date of manufacture etc. as contained in the packing shall be presumed to be correct.

(13) INTERNET AND WEBSITE POLICY

- i. No Direct Seller will sell/demonstrate/display/promote FOHOWAY products on any e-commerce websites or business portals as the like may be.
- ii. No one is allowed to advertise on the internet through an approved site which the Company program allows. The websites link directly to the Company website giving the Direct Seller a professional and Company-approved presence on the internet. Only these approved websites will be used by the Direct Sellers.
- iii. No Direct Seller can independently design a website that uses the names, logos, product or service descriptions of the Company, nor a Direct Seller use “blind” ad on the internet making product or income claims which are ultimately associated with Company products, services or the Company's Business plan.
- iv. The contents of the FOHOWAY website such as the text/graphics/designs/programming are also a part of the brand and are protected by copyright, which shall not be used for commercial purposes other than the sale practices allowed by the company to the Direct seller.
- v. Website handling product sales should use password protection so to avoid unwanted individuals seeking entrance unethically into the website.
- vi. Website should not contain any obscene material or any promotional activity in violation with the Code of Conduct and rules.
- vii. Direct Sellers using Company names, logos, trademarks, etc. on the internet or any other advertising medium, except as permitted by these policies and

procedures will be subject to immediate disciplinary action, including termination of his/her Direct Seller status.

- viii. Direct Sellers operating independent websites that use Fohoway trademarks must clearly and conspicuously identify themselves as an “FOHOWAY Direct Sellers”.

Every Direct Seller must:

- Clearly display an entry splash pop-up that appears once at every visit to the website; and
- Clearly display the Direct Sellers personal name and contact details along with the “Fohoway Direct Seller” logo; and
- Ensure the website does not have the same or similar visual appearance as the official FOHOWAY website <https://www.fohowayindia.com/>

(14) VIOLATIONS – CORRECTIVE MEASURES AND PUNISHMENT TO ENSURE CORRECTION

(A) PROCEDURE FOR DEALING WITH CASES OF VIOLATION

The company provides guidance and advice to deal with situations that involve breach and violation of its policies and procedural rules and regulations. The Company shall also take appropriate action against the Direct Seller(s) involved. In the event of violation, the following procedure needs to be followed:

- i. A complaint has to be lodged immediately upon knowing about the violation of the Policy/Rules and regulations of the Company. The complaint must be given in writing by providing all the relevant details of the alleged violation.
- ii. Upon the receipt of complaint, the company shall immediately notify the Direct Seller involved, requesting a swift response by providing him a chance to explain their case. The company may institute such actions Suo motu.
- iii. Upon receipt of the written response from the violating Direct Seller in question the company will evaluate the same after collecting the evidence of violation against the distributor and place it before the company or brought to its knowledge during the course of investigation and if deemed necessary may call for the complainant and complained against Direct Sellers for personal hearing

(Personal hearing is at the discretion of the company and is not right of a Direct Sellers to seek the same)

- iv. Company will then pass a suitable order as provided under these Policies and Procedure.
- v. Any aggrieved Direct Seller may prefer a review petition against such order before the Director of FOHOWAY India whose decision shall be final and binding.

(B) CORRECTIVE MEASURES (CMS)

- i. If FOHOWAY believes that within the network of a leading Direct Seller, one or more Direct Seller misrepresents the FOHOWAY Business Plan, or seriously violates the policies and procedures FOHOWAY may take CMS against all or part of the members of the network.
- ii. Before taking CMS, FOHOWAY will inform the Direct Sellers about the reasons to ensure that they are aware of the necessity of the action.
- iii. When FOHOWAY informs the Direct Sellers in accordance with the rules, they are permitted to speak about the whole incident and make an investigation in his/her network within a prescribed period.
- iv. Direct Sellers who have been subject to CMS should finish a thorough re-training in order to learn the way to correctly represent and implement the FOHOWAY Business Plan and educate other Direct Sellers within the network. The re-training sessions will be hosted by leading Direct Seller or other designated Direct Sellers under the supervision of FOHOWAY.
- v. The leading Direct Seller or other designated Direct Sellers must submit retraining sessions' agenda, which should contain date, time, venue, expected number of attendees and names of FOHOWAY Business Plan. trainers.
- vi. During the retraining sessions, each attending Direct Seller must sign in on attendance form, which should be submitted to FOHOWAY by the leading Direct Seller or other designated Direct Sellers.
- vii. FOHOWAY may delegate representatives to attend the retraining sessions, to keep informed about the proceedings and place special emphasis on the essential part of the FOHOWAY Business Plan; the representatives may host the sessions instead of the original hosts when necessary.

- viii. If the Direct Seller or relevant sponsors are slow or even fail to take proper and effective measures within the prescribed period, FOHOWAY has the right to take further actions against them.

(C) PUNISHMENT AND RIGHT OF THE COMPANY UPON VIOLATION BY THE DIRECT SELLER

- i. When Direct Sellers are found in violation of the provisions of the policies and procedures, FOHOWAY has the right to take action against the offending Direct Sellers according to Rules Governing Review of Compliance.
- ii. FOHOWAY has the right to decide whether to issue a statement, as a warning, about the violation in the form of notice, circular memo, newsletter on FOHOWAY website, internal journals, E-mails or at meetings; the statement may include, but are not limited to, such information about the erring Direct Sellers as name, Direct Sellers number, rank, details of violation and action taken.
- iii. In case a Direct Seller receives sales incentives in a way violating FOHOWAY rules, FOHOWAY has the right to recalculate, and deduct the incentive ranks of parties concerned in adjustments.
- iv. The above actions shall be taken to adjust or compensate the losses suffered by FOHOWAY or its other Direct Sellers, due to erring action or incentives/conduct of the Direct Seller against whom such action is taken.
- v. In case Direct Sellers, who are major or potential parties involved in a compliance review in progress, apply for modification of some registered information, FOHOWAY has the right to withhold the approval temporarily, and make decisions according to results of the review.
- vi. FOHOWAY has the right to review the access of Direct Sellers under actions to travel to seminars, annual conference, or other incentives.
- vii. In case of intervention of local government departments in cases of violations, FOHOWAY may deal with the case in consideration of their opinions and decide the grade of action according to the adverse influence of the violation on the local market.
- viii. Even if FOHOWAY has not been held responsible in certain case of policies and procedures violation or negligence, it does not mean that FOHOWAY will not pursue the responsibilities of the same violations by other Direct Sellers.

(15) TERMINATION AND SUSPENSION OF DIRECT SELLERSHIP

(A) TERMINATION OF DIRECT SELLERSHIP:

Termination of the Direct seller means, the termination of:

- All rights and duties as a FOHOWAY direct seller
 - All income/perks/benefits/remuneration after the date of termination as applicable.
- i. FOHOWAY, may at its discretion by notice in writing to the Direct Seller can terminate the agreement which authorizes the Direct Seller to operate its business. When the Direct Sellership is terminated by spontaneous withdrawal, the former- Direct Seller is not allowed to re-apply for a Direct Sellership in the same rank until he/she has not undergone an inactivity period of 24 months after such termination and same shall be at the discretion of the company.
 - ii. FOHOWAY can terminate/de-sponsor the Direct Sellership of a Direct Seller if he/she:
 - provides wrong information about oneself in the application form.
 - Make a serious misrepresentation about the company, its business plan or product and such misrepresentation is not likely to be remedied by corrective action.
 - Commits breach of the terms and condition of direct sellership or these policies and procedure and fails to ratify the same within time specified.
 - Commits repeated breach of the terms and condition and policies of the company. has been convicted of any offence that is punishable by Indian courts of law.
 - is declared bankrupt.
 - Has not attained the age of majority or is not i mentally sound to handle the FOHOWAY business.
 - iii. The Company shall be entitled to terminate the Direct Seller Agreement by giving the Direct Seller a 7 days' notice of the same, and in that case the Direct Seller will cease to be recognized as part of FOHOWAY team and will from the date of issuance of the termination notice, will immediately lose his Direct Sellership, rights and interests, including the incentives generated from the concerned Direct Sellership.

- iv. FOHOWAY shall not initiate termination, De-sponsorship, or suspension of a Direct Seller until and unless fair and equal opportunity to explain/justify his conduct is being given to the direct seller. However, the decision of the Company regarding termination or de-sponsoring of a Direct Seller shall be final and binding. However, the company reserves the right to reject any Re-joining Applications applied by a Direct Seller and may do so in its sole and absolute discretion.
- v. However wherein the violation has been carried out to such a great magnitude that the company is left with no choice but to terminate or suspend the Direct seller , FOHOWAY may do so without giving the seller an opportunity to explain or rectify his improper conduct in the past.
- vi. However, the Direct Seller can use its right to appeal to the Review panel regarding the decision taken by the company, and the decision remain suspended until review has taken place by the review panel.

(B) TERMINATION IN CASE OF INACTIVITY:

The company can also terminate a person in his state of “Inactivity”.

If any Direct seller has been completely inactive for a period exceeding more than 24 months from the start of his Direct Sellership, He has not attained any business, sold any product, did not carry out any promotional activity, he shall be deemed as ‘in active’ and shall be removed/terminated from the Direct selling membership.

In this period of Inactiveness , he will not be allowed to carry out any/all of the following activities.

- Be involved in FOHOWAY business in any way.
- Purchase products other than for personal use.
- Sell any FOHOWAY products or Materials.
- Sponsor or offer the FOHOWAY Direct selling membership opportunity.
- Promote, assist, or support any Associateship.
- Attend any trainings or meetings.

(C) SUSPENSION OF DIRECT SELLERSHIP:

This is milder form of punishment where in direct seller is debarred for conduction of FOHOWAY Business for a specified period of time. During this period, the direct seller forfeits his/her entitlement of sell /sponsor or to receive any reward/commission. During this period of suspension, the FOHOWAY direct seller is not allowed to:

- Attend any conferences or meetings held by FOHOWAY even though they had qualified to attend the same just before the suspension of his/her services.
- Carry out any of the Rights and Obligations as bestowed upon them at time of joining.
- Carry out any sponsoring/training/promotional activities
- Conduct any business activity related to FOHOWAY.
- Represent himself/herself as a FOHOWAY Direct Seller.

(16) COMPLAINTS HANDLING PROCEDURE

The company has a very efficient and robust system for handling any kind of complaints, for which a Grievance Redressal committee has been constituted.

- All complaints related to the products can be mailed in at : or can be written to the officer at (address), contact details : helpline number : .
- For complaints regarding the policies and procedure, please contact your concerned Area Manager. For complaints related to Breach of Terms/ Services/ Rules / please contact : 011-41601212 , email – info@fohowayindia.com

(A) INTIMATION TO VIOLATOR

Upon receiving a notice, Fohoway will inform the Direct Seller and demand an immediate response.

(B) INSUFFICIENT INFORMATION

Wherein the information sought seems insufficient to reach a decision , additional information may be requested from direct seller by FOHOWAY.

(C) FORMAL RESOLUTION

After FOHOWAY receives all the facts of the concerned matter, it will decide whether or not there has been any violation in accordance with the Terms of the contract and the Rules of conduct , if found so, the parties shall be called upon for an explanation and will be given equal right to be heard , after which the decision shall be taken.

(D) FAILURE TO COMPLY

If there is failure in complying to the decisions taken, then FOHOWAY will take further immediate action as may deem necessary, notice and intimation of the same shall be provided on the registered email id of the Direct seller.

(17) RIGHT TO REVIEW

(A) RIGHT TO CONDUCT AUDIT

- i. Fohoway possess the right to audit the Direct sellers within random intervals in order to check their compliance with the Direct selling guidelines and laws as mentioned under the clause 3 of the 'Direct Selling Guidelines'.
- ii. Review is conducted for the purpose of reviewing the contract from time to time and amend any irregularities, if any.
- iii. If any direct seller is found to be in violation of any guideline / law during the audit they shall face termination/suspension from the business activities and will also be eliminated from the Direct selling business of FOHOWAY.
- iv. It will be reviewed whether each Direct Seller has been honest and diligent in carrying out their business activities, and if so, will be appropriately rewarded for their work as a part of the training and motivation of Direct Sellers.
- v. Various suggestions and advice shall be given for carrying out the business in a more promotional and meticulous manner for the benefit of both the company and its Direct Seller.

(18) PRIVACY GUIDELINES

- i. No Sharing of your information with third parties We promise you that we will never share, mete out, trade, sell, rent, or do any such activity or convey/transfer your personal information with third parties unless it is so compelled and specified or required by law.
- ii. We might share your data with your upline or any high-level Direct Seller in order to provide you proper guidance and to guarantee you a favourable experience.

- iii. Your upline is obliged for not sharing or to misuse your personal information, and they are bound to apply the terms of the privacy policy while using your personal data/information.
- iv. If need arise, we might have to share your information with third parties associated with us in order to send you updates about our products and services, and to process your payments.
- v. Rest please be assured that at all times, even while sharing your personal information with third parties, we guarantee and assure that your information is being used under all possible contractual and technical protections.

(19) ZERO TOLERANCE POLICY

Zero tolerance means simply not allowing any unsolicited or undesirable behavior to continue in the business and impose indefinite fines and sanctions against the Direct Sellers indulging in any non-ethical business practices opposing the Rules of conduct set forth by FOHOWAY.

The major areas where FOHOWAY hold up zero tolerance are:

- Coercing prospective buyers and falsely misrepresenting the product and themselves before the consumer.
- Compromising on quality of products including the packaging guidelines.
- Involving persons into the Direct selling business, which is prohibited such as prize chit and money circulation schemes etc.
- Soliciting false promotional activities in FOHOWAYs name.
- Unauthorized selling of products in retail stores/markets/e-commerce website or various other portals .
- Violating website and trademark policies of FOHOWAY.

(20) PROCEDURE FOR DISPUTE RESOLUTION

Any dispute which may arise in or in connection with or under the Direct Seller Agreement between the company and the direct seller, or may occur in any manner touching upon it, the same shall be settled through the process of arbitration under the Arbitration and Conciliation Act 1996 of India , complying with all the present statutory amendments, For if the case may arise then therein a sole arbitrator is to be appointed by a Director of the Company. The venue of arbitration shall be decided as New Delhi. These rules are very well understood and are thereby reasonably related to the present laws of India which shall be governed in all respects thereby.

The parties in agreement to the terms of this agreement, agree upon the conditions that the courts at New Delhi alone shall have the sole and exclusive jurisdiction. Provided however, in case the Company shifts its registered office from New Delhi to any other city in a different State, the courts present in that city where the registered office of the Company is now situated alone shall have exclusive jurisdiction.

THE GUIDELINES MENTIONED IN THIS DOCUMENT ARE SUBJECT TO CHANGE FROM TIME TO TIME. THE FAILURE TO COMPLY WITH THE RULES, POLICY AND THE CODE OF CONDUCT MENTIONED WITHIN THE GUIDELINES MAY RESULT IN ACTION AGAINST YOUR DIRECT SELLING BUSINESS AND MAY AFFECT YOUR DIRCT SELLERSHIP ADVERSELY.

THE COMPANY FOHOWAY INDIA PRIVATE LIMITED, THEREBY RESERVES THE SOLE RIGHT TO AMEND THE POLICY AND PROCEDURES AT THEIR OWN WILL. COMPLIANCE TO THE SAME SHALL BE NECESSARY AT ALL TIMESBY EVERY DIRECT SELLER
