



**DEFINITION :**

For the purposes of the Daehsan Distributorship Rules and Regulations, unless the context otherwise requires or unless repugnant to or inconsistent with such context, the following words or expression shall have the following meanings:-

“Distributor”

shall mean for the purpose of the Daehsan Distributorship Rules and Regulations, a person who has applied under Clause 1 herein and whose application has been accepted by Daehsan “Daehsan” shall mean Daehsan Trading (India) Private Limited

“PV”

shall mean “Point Value”, as ascribed to DXN products for qualification and status

“PPV”

shall mean “Personal Point Value”, i.e, total PV generated from all personal cash bills transacted in a month

“Product” or “Products”

shall mean products produced or distributed by Daehsan or which bears the DXN label, logo or name

“SCN”

shall mean Show Cause Notice

“Sponsor”

shall mean an existing Distributor who after fulfilling the eligibility criteria of a sponsor, introduces a prospect to be a Distributor of Daehsan and whose name appears on the new Distributor’s Application and Enrollment Form bearing an unique ID number, as Sponsor.

“SV”

shall mean “Sales Value”, as ascribed to DXN products for bonus and incentives

Unless the context otherwise requires or unless repugnant or inconsistent with such context, the following interpretations shall apply:-

- (a) references to clauses and sub clauses are to be construed as references to clauses and sub clauses of this Daehsan Distributorship Rules and Regulations;
- (b) references to Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan and any of its policies, central or state legislations or provisions of such legislation shall include such provisions as modified, amended or re-enacted;
- (c) references to persons include any body corporate or partnership;
- (d) words denoting the masculine gender include the feminine and neuter genders and vice versa;
- (f) words denoting the singular number include the plural number and vice versa;
- (g) the headings to the clauses are for ease of reference only and shall not affect the interpretation of the Daehsan Distributorship Rules and Regulations; and
- (h) References to any party includes its successors in title and permitted assigns.

**1. Application for Distributorship:**

- 1.1 Only applicants aged 18 years and above may apply to become a Distributor.
- 1.2 In order to become a Distributor of Daehsan, an applicant is required to complete and sign the Distributorship Application Form and shall irrevocably agree to abide by the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan and any of its policies including but not limited to any variation, amendment or modification. Any application for distributorship is subject to the approval of Daehsan. The completed form can be handed over to the stockist, branch or the head-office where registration receipt and temporary card will be issued. This temporary card is valid until the official card is issued and the distributorship form is approved by Daehsan.
- 1.3 A Distributor is prohibited from submitting any false or inaccurate information to Daehsan. A Distributor shall inform Daehsan of any changes affecting the accuracy of the Distributor’s details. Daehsan reserves the right to immediately terminate any distributorship in the event it determines that false or inaccurate information was provided by the said Distributor.

**2. Status of Distributorship:**

- 2.1 Application can be submitted for the following status:
  - (a) Husband and wife are automatically deemed to be registered as Joint Distributors with a single distributorship code. If the husband or wife is found to have registered as a Distributor of Daehsan after the spouse has earlier been a Distributor of Daehsan, then the later registration of distributorship will be canceled and/or the whole group will be transferred to the spouse. However, in the event of a couple married after both of their joining dates, they are allowed to hold two separate distributorship codes.
  - (b) A corporation cannot be accepted as a Distributor of Daehsan. Nevertheless, if a Distributor wishes to change his distributorship to a private company or a partnership, written approval from Daehsan shall be obtained. In the event Daehsan has approved the distributorship application by a corporation or private company or partnership etc., any change to the equity structure of the said corporation or private company or partnership must first obtain the approval of Daehsan. In the event Daehsan determines that false or inaccurate information was provided or any change to the equity structure has been done without the approval of Daehsan, Daehsan reserves the right to forthwith terminate the distributorship.
  - (c) Taking of multiple Distributorships in same name/proxy identity is strictly prohibited. Every applicant for Distributorship is required to tender/attach their photo identity proof along with the application.

**3. Conditional Life Distributorship:**

- 3.1 Distributorship with Daehsan is for a lifetime and no yearly renewal of distributorship is necessary PROVIDED THAT the Distributor makes at least one (1) personal purchase transaction with PV in each calendar year. Personal purchase transaction refers to purchase of DXN Product(s) with PV, regardless of amount, made in the Distributor’s own name.

- 3.2 Failure to comply with the above requirement shall render the distributorship of the concerned distributor to lapse on 31st December of respective calendar year without need of further notice. Any reinstatement may be done between 1st January until 31st March in the same calendar year of expiry in a single cash bill subject to the following:-
  - (a) the minimum monthly PPV required for bonus has been achieved by the Distributor; and
  - (b) the reinstatement is approved by Daehsan

- 3.3 For new distributors joining between 1st October and 31st December, the expiry date shall be extended until 31st December of the following year.

- 3.4 Distributor whose distributorship has lapsed may re-register as a new Distributor under the same or another Sponsor; however, he will be considered and deemed as a new Distributor and therefore, not entitled to his former network.

- 3.5 The reinstatement would be effective upon due approval from Daehsan management. In other words, the reinstatement would not be backdated. Purchases, if any, made after lapse of distributorship would be accumulated and encoded according to marketing plan in the month of reinstatement.

- 3.6 A Distributor who fails to reinstate his distributorship within the above-said grace period may not be entitled to reinstate his former network upon their re-registration after the grace period.

- 3.7 A Distributor’s distributorship shall be terminated if he (or any one of the spouse / partner / party / member of the company including proxy) is directly or indirectly involved in any of the disciplinary cases such as:
  - (a) sponsoring other Distributors in an improper / invalid manner;
  - (b) changing the selling price of a product without obtaining prior approval of Daehsan;
  - (c) involved in other direct sales companies or any company having competition with Daehsan;
  - (d) in breach of Daehsan Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies;
  - (e) conducting any activities that directly or indirectly will bring negative effects to Daehsan or affect Daehsan’s goodwill;
  - (f) delivering, distributing or selling DXN’s Products of one country to another country (in which DXN’s market has been established) without written approval from Daehsan;
  - (g) making false claims relating to the Product(s) or the Daehsan Marketing Plan.

- 4. **Registration Fee:**  
The registration fee for taking distributorship is determined by Daehsan which is subject to change on issuance or announcement of any notice and takes effect immediately. Presently the registration of Distributorship is free of any charge. An interested prospect needs to fill-in and submit the completed Distributor Application and Enrollment form to any Daehsan authorized outlet. On acceptance of the completed application form, the applicant will be enrolled as an Independent Distributor of Daehsan with an unique identity code (ID)

- 5. **Daehsan Starter Kit:**  
Every distributor is encouraged to purchase the Starter Kit/Daehsan Business Manual in their own interest to learn the distributorship Norms and promote the business in an ethical, efficient and productive manner with full knowledge of the company, products and services offered.

- 6. **Distributor’s Purchase Order:**  
Products can be purchased by cash (or by any mode of payment so accepted by Daehsan) from Daehsan Sales Outlets and its valid stockists. Cash bill will be issued for each private purchase (Distributor). All purchases after the month end cannot be backdated from the date of purchase.

- 7. **Entitlement to Monthly Bonus:**  
7.1 A Distributor is required to maintain a monthly PPV exclusively in one (1) country for bonus qualification and commissions overriding. Bonuses are paid according to Daehsan’s Marketing Plan when and where a Distributor has maintained the required monthly PPV.

- 7.2 In addition, Daehsan reserves the right to recoup any bonuses paid to any Distributor on Products or services under the following circumstances :
  - (a) returned under Daehsan’s buy back policy or exceptions thereto established by an authorized stockist;
  - (b) returned to an authorized stockist under any applicable law; or
  - (c) stolen or obtained by fraudulent means.

- 8. **Discrepancy in Monthly Bonus Statement:**  
Daehsan shall be informed in writing within thirty (30) days from the date of receipt of the monthly bonus statement of any discrepancy in the said statement after which at the end of the specified time period, all monthly bonus statement shall be deemed as final and conclusive and Daehsan shall not entertain any inquiry or complaint.

- 9. **Suspension and Termination of Bonuses, Incentives and Benefits:**  
Daehsan reserves the full and absolute right, at any point of time, to withhold or suspend or terminate a Distributor’s benefits including but not limited to bonuses, incentives, commissions, benefits, entitlements, etc., in the event:
  - 9.1 A Distributor has been issued with a SCN for violating any provisions of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies; or
  - 9.2 A Distributor who is currently in the process of due inquiry conducted by Daehsan for allegedly violating any provisions of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies; or

- 9.3 A Distributor who has been found liable by Daehsan for violating any provisions of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies; or
- 9.4 Pending the finalization of transfer of the distributorship to beneficiary; or
- 9.5 Any other causes/reasons deems necessary and fit by Daehsan.
- 10. Responsibilities of a Distributor**
- 10.1 A Distributor is independent and is free to operate on his own. Therefore, a Distributor shall not claim or represent as an employee of or having employment relationship with Daehsan. A Distributor is strictly prohibited from representing himself as such. Disciplinary action shall be taken on those who have breached this regulation.
- 10.2 A Distributor shall represent the Products, services, and opportunity of becoming a Distributor ethically and professionally.
- 10.3 No representation or sales offers may be made relating to Products and services, which are inaccurate as to price, grade, quality, and liability.
- 10.4 No unreasonable, misleading, or unrepresentative earnings claims may be made. No income guarantees of any kind shall be made.
- 10.5 A Distributor may not solicit or persuade any other Distributor to sell or purchase Products or services other than those offered by Daehsan. A Distributor agrees that a violation of this rule inflicts irreparable harm to Daehsan and agrees that injunctive relief is an appropriate remedy to prevent it.
- 10.6 A Distributor is responsible for his own business decisions and expenditures.
- 10.7 A Distributor shall comply fully with the Daehsan Distributorship Rules & Regulations, Code of Conduct, Daehsan Marketing Plan and any of its policies.
- 10.8 A Distributor is personally responsible and accountable for compliance with all applicable national, state, municipal and local laws and regulations.
- 10.9 A Distributor shall comply with all laws, regulations and codes of practice applying to the operation of his distributorship and shall not engage in any activity which may bring disrepute to themselves or to Daehsan.
- 10.10 A Distributor shall not make any representation to a prospective recruit and/or customer which cannot be verified or make any promise which cannot be fulfilled. A Distributor shall not present any information to the customer/prospect in a false or deceptive manner.
- 11. Restriction/Right to Area:**
- 11.1 A Distributor is not allowed to have any right or impose any restriction to a particular area and are strictly prohibited to declare that they have any specific right on a particular area.
- 11.2 A Distributor is strictly prohibited to distribute or sell any DXN Products specifically manufactured for a particular country in any other country unless written approval from Daehsan.
- 12. Restriction on Products:**
- 12.1 DXN's Products are strictly prohibited from being sold or exhibited in grocery shops, stores, mini-markets / supermarkets, military stores or trade fair.
- 13. Manner of Selling and Selling Price:**
- 13.1 The selling price of any DXN Product is determined by Daehsan and no Distributor shall be allowed to reduce or increase the price including by way of tampering with the selling price as affixed or determined by Daehsan on the label or packaging of the Product. Breach of this regulation shall result in having their distributorship suspended or terminated by Daehsan.
- 13.2 Daehsan reserves the right, at any point of time to revise the selling price including but not limited to PV and SV of the Product without any prior notice, and the revised price so determined or fixed shall have immediate effect upon its official announcement.
- 13.3 A Distributor is not allowed to deliver, distribute or sell any Products by way of discounts, free gifts, promotion that in aggregate or in any how are confirming the Products are distributed or sold below or above the selling price so determined and permitted by Daehsan, unless the discounts, free gift or promotion is organized and approved by Daehsan.
- 13.4 A Distributor is required to sell products to end users/consumers only under a valid customer receipt wherein details of the sales transactions are mentioned alongwith the product refund policy/buyback guarantee provided by the company. Such Receipt Books in prescribed formats are available at the authorized sales outlets. Distributors have the option to print their own Receipt Book in the same format/template as made available by the company.
- 14. Product Claims:**
- 14.1 A distributor shall be held liable and responsible for false claims, misrepresentation etc of the Product quality, quantity, content, usage or benefits other than those mentioned in authorized product literature specified by Daehsan and all such acts shall lead to disciplinary action including suspension or termination of distributorship.
- 14.2 No Distributor should or attempt to state or intimate that any Product is approved by or bears special sanction of the Ministry of Health or any other governmental authority.
- 15. Improper Sponsoring of Distributor and Penalty:**
- 15.1 Improper sponsoring: Improper ways of sponsoring Distributors in the following context are prohibited:-
- (a) Sponsoring a Distributor who is already a Distributor of another group;
- (b) Sponsoring the spouse of a person who is already a Distributor of another group.
- 15.2 The following actions will be taken if improper sponsoring is proven to have occurred:
- (a) Distributorship shall be terminated with immediate effect. If the distributorship is terminated; all Distributors who were improperly sponsored will be transferred to their original Sponsors.
- (b) If the spouse (B) of a Distributor (A) is found to have become a Distributor of another group, B's Distributorship will be terminated immediately and Distributors under B will be transferred to A.
- (c) Penalty letters will be issued to all those who are involved.
- (d) No arrears of bonus will be considered
- 15.3 Proxy and its Penalty:**
- If a Distributor establishes a group not under his hierarchy but has self-interest in the development of the group, the Distributor is deemed to have been involved in this activity and his distributorship will be suspended or terminated and the group established by proxy will be transferred to the Sponsor.
- 16. Involvement in other Direct Sales Company:**
- 16.1 A Distributor who has achieved the status of Star Ruby and above is not allowed to be involved directly or indirectly (including by proxy) in any activities of other direct sales companies or other activities that will bring negative effects to Daehsan. Any Distributor who commits such offence shall have his distributorship terminated immediately by Daehsan.
- 16.2 A Distributor shall not directly or indirectly and whether on his own behalf or with or for any other person solicit, promote or recruit any member of their downline organization to join or participate in any other direct selling or network marketing business or to distribute, sell or promote any Products or services competitive with Daehsan
- 17. Breach of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan and Any of its Policies**
- 17.1 If a Distributor breaches any provisions of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies, the Distributor's distributorship may be suspended or terminated immediately.
- 17.2 During the period of Daehsan's investigation or issuance of SCN or suspension notice for the alleged violation of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan and or any of its policies, the following shall be applied:
- (a) Daehsan may provide verbal warning or issue a Warning Notice to the Distributor for the violation of the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies;
- (b) In the event of a SCN is issued to a Distributor, the Distributor shall within fourteen (14) days from the date of the same provide his written explanation relating to the allegations for consideration by Daehsan. Daehsan reserves the right to suspend the said Distributor from participating or carrying out activities which includes but not limited to placing orders, making sale or purchase, dealing with DXN's Products, dealing with networks, sponsoring, modifying Distributors information, attend training, participate in Daehsan's activities, participate in promotional activities or incentives campaigns, receiving bonuses, commissions or incentives until a final decision is made by Daehsan.
- (c) In the event of the Distributor failing to provide any written reply to the said SCN within the said period, Daehsan shall have the right to impose such action as it considers proper.
- (d) On the basis of any information obtained from collateral sources or from Daehsan's investigation of the statements and facts taken together with information submitted to Daehsan during the response period, Daehsan shall make a final decision regarding the appropriate remedy, which includes the termination of the Distributor's distributorship. Daehsan reserves the right to impose any remedies for similar violations of Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan or any of its policies on a case-by-case basis. Daehsan will notify the Distributor of its decision and all remedies will be effective forthwith as of the date on which notice of Daehsan decision is served.
- (e) In the event of termination of the Distributor's distributorship, the Distributor's distributorship /status and all benefits pursuant to the Daehsan Marketing Plan including but not limited to benefits on promotion activities, incentives campaigns, entitlements shall be forfeited. Henceforth, the terminated Distributor is automatically prohibited from dealing in whatsoever manner with DXN's Products, networks and activities.
- (f) Any Distributor so terminated may apply for new distributorship from Daehsan after a period of six (6) months. However, acceptance of the application is subjected to the verification and approval by Daehsan.
- 18. Beneficiary:**
- 18.1 A Distributor may appoint any person of the same nationality as his beneficiary. If no beneficiary is named in the distributorship form, the beneficiary shall be the next of kin. However if there is a dispute relating to the beneficiary after the death of a Distributor, the appropriate court shall decide the beneficiary. Daehsan reserves the right to suspend any benefits including but not limited to bonuses and commissions until a final decision is made by the Court.
- 18.2 A Distributor shall not transfer, allocate, or otherwise transfer any right conveyed under his distributorship to any person without the written approval from Daehsan. A Distributor may delegate his responsibilities but he is ultimately responsible for ensuring compliance with the applicable laws and regulations.
- 19. Properties of Daehsan:**
- 19.1 DXN logos, trademarks, service marks, Product names, and other tangible or intangible commercial assets, registered or otherwise, videotapes, stationeries, printed materials, provided and related to Daehsan are the properties of Daehsan. They are not to be used, extracted or reproduced by any Distributor without prior written approval from Daehsan.
- 19.2 All promotional materials including but not limited to flyers, business cards, pamphlets, brochures, books prepared in accordance with the sub-clause below, may be distributed through personal contact only. They may not be posted in public places, mass mailed, put in mail boxes, or disseminated by any other non-personal contact means. Materials may not be disseminated through unsolicited fax or E-mail message.
- 20. Distributor Agreement:**
- An Agreement between a Distributor and Daehsan takes effect as soon as the Distributorship is approved by Daehsan.

## 21. Transfer of Distributorship:

Transfer of distributorship is divided into two categories:

### 21.1 DEATH:

If a Distributor passes away, the beneficiary will automatically take over the distributorship. If no beneficiary is named, the transfer of distributorship will be determined as per the law prevailing in the country. Simultaneously, Daehsan reserves the right to suspend any and all benefits including but not limited to bonuses, commissions until the issue is resolved.

### 21.2 INDISPOSITION:

A Distributor who has reached the age of 65 years or unable to continue the Daehsan business due to health complications which, if accepted by Daehsan shall be allowed to transfer the distributorship to anyone as he wishes or to his beneficiary.

## 22. Double Registration:

22.1 A married couple at the point of registration as Daehsan Distributor shall be given a common code, that means a single Daehsan distributorship entity, thus, at any one moment, a registered Daehsan Distributor with a married status is prohibited to apply or acquire an additional new distributorship under his own name or under his spouse name.

22.2 In the event that a double registration has been detected and confirmed as such, Daehsan reserves the right and shall terminate the newer distributorship code with immediate effect without further reference or notice. Accordingly, Daehsan shall transfer all the newer distributorship code's down-lines and accumulated PVs to the old distributorship code.

22.3 Disciplinary action such as suspension or termination shall be initiated against any Distributor or Sponsor who is directly, indirectly or accidentally found to be involved in double registration.

## 23. Request for Changing Sponsors:

23.1 Application for change of Sponsor is not allowed by Daehsan.

23.2 If a Distributor insists on changing his Sponsor, he can write to Daehsan to terminate his existing distributorship and wait for six (6) months before re-applying for distributorship under a new Sponsor.

23.3 For a Distributor whose distributorship has lapsed may request to change his Sponsor by re-registering as per following the procedure stated in Clause 3.

23.4 A Distributor shall not directly or indirectly encourage, persuade, involve or assist another Distributor to transfer to a different Sponsor. This includes the act of offering financial or other tangible or intangible incentives or benefits to induce the Distributor to terminate his existing distributorship and then re-register under a different sponsor. Any Distributor found liable to be involved in such practice may result in his distributorship to be suspended or terminated immediately.

## 24. Buy Back Policy:

24.1 Daehsan practices Buy Back Policy to ensure maximum satisfaction to its end users/consumers or Distributors. This policy allows every Distributor or consumer to return unsold DXN Products in its original condition and of merchantable quality within 30 days from the date of purchase to the seller. Product in the "original condition and of merchantable quality" means the products which are still in the market (the production has not yet stopped), with the price label still intact and clean, unopened box and in good condition. Daehsan reserves the right to reject any returned Product that does not meet such specification or condition. The distributor must fill the distributor buy back forms and submit the same to any of the Daehsan offices, outlets or branches under acknowledgment.

24.2 Distributors on resignation/termination of distributorship are entitled to return all unsold products purchased by them during the preceding Six months prior to resignation as long as the said products are in sealed condition, merchantable quality and within reasonable shelf life, as determined by Daehsan.

24.3 Daehsan reserves the right to deduct any bonus paid on the product returned to it by its distributors to the extent it has been paid/enjoyed by the said Distributor who returns the products. Otherwise, the bonus paid on the returned products will also be recovered from the other distributors who have enjoyed the same.

24.4 Products returned should be accompanied with the following documents:

- Relevant cash bills/invoices (only original copy is considered valid);
- Filled in Buyback form

24.5 Daehsan will send the full refund against the product returned by a crossed cheque/fund transfer to Bank Account subject to any deduction mentioned under Clause 24.3. The cheque /fund transfer will be made within Thirty (30) days from the returned date.

24.6 Distributors are advised not to over purchase. Purchase of Products should be made based on realistic estimation of the customer's orders.

## 25. Distributor Website Regulations

25.1 Any distributor who wish to establish link to DXN website or any of its subsidiary companies must submit application, stating its purposes and be approved by Daehsan prior to posting the link.

25.2 No site references Daehsan, its Products or link to Daehsan or DXN website to make unsubstantiated income or Product claim.

25.3 No site should make it appear that it is Daehsan subsidiary or that the site is in any way sanctioned or endorsed by Daehsan.

25.4 All sites linked to DXN or any of its subsidiary companies must clearly state in a highly visible location that they are operated by independent distributor.

25.5 The Distributor's website must not display DXN logo, trademark, or its Products. Any text related to or describing the link to DXN website or any of its subsidiary companies must be in strict accordance with specifications approved by Daehsan.

25.6 A distributor is fully responsible, accountable and liable for any misuse or misrepresentation of the website. Any violation of this clause and its sub-clauses thereto shall lead to disciplinary action such as suspension or termination of the distributor's distributorship.

## 26. Promotion Activities and Incentive Campaigns:

26.1 Distributors shall abide with the respective rules and regulations governing all promotion activities and incentives campaigns.

26.2 At any point of time of the promotion activities or incentive campaigns, if any Distributor is under investigation for disciplinary cases or has been or about to be issued a SCN for violation of Daehsan Distributorship Rules and Regulations, Daehsan reserves the absolute right, at any point of time, to suspend or disqualify any Distributor from any and all promotion activities or incentive campaigns.

## 27. Litigation and claims:

In the event any Distributor is charged with any infringement of any, proprietary right of any 3rd party arising from any of Daehsan's proprietary assets, or if the Distributor becomes the subject of any claim or suit related to that Distributor's business-related conduct or any other action that directly or indirectly negatively affects or puts Daehsan, its reputations, or any of its tangible or intangible assets at risk, the affected Distributor shall immediately notify Daehsan. Daehsan may, at its own expenses and upon reasonable notice, take whatever action it deems necessary (including, but not limited to, controlling any litigation or settlement discussion related thereto) to protect itself, its reputations, and its tangible and intangible property. A Distributor shall take no action related to that claim and suit, unless obtained Daehsan's written consents.

## 28. General Business Ethics

28.1 Daehsan is a member of the Indian Direct Selling Association (IDSA) and abides by the DSA Code of Conduct. Along with the ethical guidelines of this section, Distributors are strongly encouraged to read the DSA Code of Conduct and adopt its principles in their business operations.

28.2 A Distributor agrees that he shall not make any misleading, unfair, inaccurate, or disparaging comparisons, claims, representations, or statements about Daehsan, its Products, services, or commercial activities; other persons other companies (including competitors); their products; or their commercial activities.

28.3 A Distributor agrees that any claim or representation concerning the opportunity must be congruent with, and limited to those found in the materials and literature currently distributed by Daehsan. Those claims and representations must also be advanced in accordance with any applicable laws, ordinances, and regulations, etc.

28.4 No Distributor shall represent that, any person can or will receive profits or revenues without substantial effort on his own behalf. Under no circumstances, the business opportunity would be portrait as a "Get Rich Quick Scheme".

28.5 No Distributor shall make or advertise any unreasonable or misleading representations in respect of potential earnings.

28.6 A Distributor understands that sponsorship right stands vested to a newly joined distributor only on completing 10,000 PPV, engaging in multiple sales transaction (minimum three nos) with the company, and completing 30 days in business i.e after completion of cooling off period for resignation from Distributorship.

28.7 A Distributor agrees that he/she has completed at least 10 independent sales transactions with consumers before sponsoring another Distributor.

28.8 All distributor incentive / commission paid by the company is inclusive of any service tax or other statutory taxes as may be levied by the government and payable in respect of the said distributor commission and no other additional amount is payable to the distributors by Daehsan apart from the bonus or commission as already paid.

28.9 On signing the Distributor Application and Enrolment Form, the applicant / Distributor agrees to receive all communications forwarded by the Company to his mailing address, landline, mobile or email including all short messages sent via SMS to his mobile at any time during the day. The said communication shall not be construed as a violation of privacy. Distributors unwilling to receive such messages need to intimate the company in writing.

## 29. Rights of Daehsan:

Daehsan reserves the full and absolute right, at any point of time, even without any prior notice to change, vary or amend or modify the Daehsan Distributorship Rules and Regulations, Code of Conduct, Daehsan Marketing Plan and any of its policies and to withdraw or suspend or terminate the distributorship of any Distributor or person as and when necessary.

## 30. English Version Shall Prevail:

In the event of doubt as to the true meaning concerning this Daehsan Distributorship Rules and Regulations, or any portion thereof in relation to its translated versions, the English version shall prevail.

## 31. Arbitration:

Should any dispute arise between Daehsan and a Distributor, the parties shall attempt to resolve such dispute in good faith by direct negotiations and conciliation. Should the parties fail to resolve the dispute, the dispute shall be submitted to arbitration in accordance with the provisions of the Arbitration and Conciliation Act 1896, but subject to the following:

- the place for arbitration shall be either New Delhi or Chennai;
- there shall be one (1) arbitrator;
- the arbitrator shall be appointed either by mutual consent or by Daehsan

32. I acknowledge that I have read and understood and agree to the terms set forth in this agreement.

Applicant's Signature