

C O D E O F E T H I C S

Distributors are required to observe the Healthy Living Nepal Code of Ethics at all times. The Company reserves the right to terminate distributorship at any time for any violation. Upon enrollment, distributors are expected to pledge the following :

1. That I will follow the highest standards of honesty and integrity in the Healthy Living Nepal Business.
2. I will present the Company's marketing plan accurately and honestly, clearly portraying the level of effort required for achieving success. I shall not use misleading, false, deceptive, and/or unfair recruiting practices, including misrepresentation of actual or potential sales or earnings and advantages of the business to any prospective distributor, during interaction with them.
3. I will not make negative or disparaging remarks about the Company, its products, officers, employees or other people and products. I will be respectful to the Company as well as the direct selling business.
4. I will not sell the products of Healthy Living Nepal through retail outlets.
5. I will not instigate, encourage, indulge and/or guide downlines for bonus rebate/refund of commission.

I will not encourage distributors recruited by me to purchase goods/services/ literature or sales demonstration equipment in unreasonably large amounts.

6. I will not use the Company's trade name(s), information, literature, advertising material, and gathering of people or other resources including Intellectual Property to introduce and promote interests of any entity other than the Company.
7. I will strive to ensure that my customers and fellow distributors are satisfied with the Company's products and my services.
8. I will abide by the Healthy Living Nepal distributor's Rules and Regulations at all times.
9. I will not resort to any fraudulent act in promoting the Company's business at the expense of the Company and fellow distributors.
10. During distributorship and thereafter, I will not do anything that may adversely affect the Company, its reputation and business interests.
11. I shall not use misleading, deceptive, and/or unfair trade practices.
12. I shall take appropriate steps to ensure the protection of private information provided to me by the consumers.

P O L I C I E S / R U L E S + R E G U L A T I O N S

The following Rules & Regulations of Healthy Living Nepal Pvt. Ltd. (the Company) are formulated and implemented for safeguarding rights and dignity of the distributors while regulating conduct of business. In order to mould yourself as a responsible and ethical distributor of Healthy Living Nepal, you must understand and abide by the Policies/Rules and Regulations of the Company; any violation of the same can result in termination of your distributorship. The Company reserves the right to amend its Policies, Rules and Regulations without issuing prior notice or clarification. You are expected to visit the Company's website from time to time and keep yourself abreast with updated policies, rules and regulations.

1 Eligibility to Become a Distributor

A. Individuals

- a. Individuals aged 18 years and above, or as per their respective State's legally- mandated age, can apply to be a distributor of the Company.
- b. The Company has absolute discretion to decide whether to accept or reject an application.
- c. Distributor of the Company is not an agent, representative or employee. The relationship is on principal to principal basis.
- d. All applications must be sponsored by an existing distributor.
- e. Wife and husband constitute a single unit for the purposes.
- f. Son or unmarried daughter of a distributor can join the Business with their independent ID if the line of sponsorship is under their Family[^] ID. Similarly any of the family members can join under their son/unmarried daughter.

B. Legal entities (such as HUF, partnership firms, LLP, Company, Society and Trust).

- a. In such cases, registration shall be in the name of the legal entity.
- b. A copy of the constitution, deed, articles of the association along with certificate of institution/incorporation, as may be applicable for the entity and PAN card should be submitted along with the application form. In cases of HUF, copy of PAN card would suffice.
- c. Liability and entitlement of such entity is as per law of the land. Bonus payment would be made by the Company in the name of the entity.
- d. No change in constitution of the entity (including its partners /shareholding/ constitution/members/trustees et Al.) shall be entertained by the Company.
- e. Company will communicate only with a person/official duly authorised by the entity under written intimation to the Company in advance.
- f. In case of dissolution/winding up/insolvency of the entity, bonus entitlement / arrears, if any shall be released to the successor entity upon submission of proof acceptable to the Company. Claim(s) in this respect shall not be entertained after 90 days from the incident of dissolution/winding up or declaration of insolvency.

2 Bonus Payment

- a. Bonus for all distributors is computed once in a calendar month, and commensurate with the business done in the relevant business month. Pay outs will be issued by the Company to the registered distributors as per Company's policy.
- b. On receipt of monthly payout distributors should check accuracy of computation. Any queries in this respect should be made within 14 days from the date of issuance of payout by the Company. In the absence of such queries the figures mentioned in the statement shall be final and binding.
- c. It is mandatory for the distributors to provide their address and bank details. They must also send us information as per Company Guidelines if there is any change in their address/bank details/mobile no/email id.
- d. In order to receive Bonus, the distributor must mandatorily provide his/her Bank Details to Healthy Living Nepal. In case the distributor fails to provide the Bank Details, Healthy Living Nepal reserves the right to withhold the bonus amount.

3 Procedures for Dealing with Instances of Violation

The Company provides guidance and advice to deal with situations involving breaches and violation of its policies and these rules and regulations. The Company shall also take appropriate action against the distributor(s) involved. In the event of any violation, the following procedure needs to be observed:

- a. A complaint has to be lodged immediately upon knowing about violation of any Policies/Rules and Regulations of the Company. The complaint must be given in writing by giving details of the alleged violation, also he/she must inform his/her upline about the complaint.
- b. Upon receiving the complaint, the Company shall immediately notify the distributor involved, requesting a swift response by way of a chance to explain his/her case. Company may in appropriate cases institute such action suo motu.
- c. In case of inadequate information, the Company may request for more details from either party.
- d. If the Company is convinced that the only way to restore normalcy is to suspend or terminate distributorship, it shall convey its decision by writing a letter to the distributor concerned. The letter shall be posted through Registered mail/ Courier to the last known address of the distributor as listed in Company's database and the post mark shall be taken as proof of receipt. The Company reserves the right to take necessary action against the terminated distributor including seeking compensation, recovery, damages and legal costs incurred, if any. However, the Company reserves the right to amend or modify any part of the above decision if and when such a need is felt by the Company.

4 Renewal of Distributorship

1. The Company does not charge any renewal fee. Distributorship is discontinued if the distributor resigns and if the resignation is accepted by the Company. The distributorship is terminated by the Company if the distributor does not conduct any Business with the Company for more than two years or for any violations of Company policies.
2. In the above cases the distributor will be required to put forth his/her claims within one month of the date of the above happenings, thereafter no claim will be entertained. The claims will be settled as per Company's Policy.
3. The limitation period of claiming any amount due to the distributor by Healthy Living Nepal shall be three years. No claims after a period of three years from the due date shall be entertained by Healthy Living Nepal.

5 KYC

A person/entity who completes the KYC (Citizenship) formalities and fills the Distributor Application + Agreement Form (the "Applicant") shall be assigned an Applicant Number. The Applicant Number shall be valid for 35 days and the Applicant shall be confirmed as a distributor pursuant to it carrying out atleast one transaction within 35 days from the date of submission of the Distributor Application + Agreement Form.

6 Submission of Distributor Application Form

Subject to Compliance With Clause 5;

- a. In case a prospect fills the hard copy of Distributor Application Form (DAF), he/she shall be entitled to commence business and build a network only upon completion of Know Your Customer ("KYC") and physical submission of Distributor Application Form (DAF) at any of the Company's Centres and only after an order has been placed.
- b. In case the prospect fills the DAF online and sends the scanned copy of signed DAF along with KYC documents to the Company, the distributor can commence Business with the Company only after an order has been placed.. However, if the distributor does not submit the copy of DAF with signatures (to be verified with Citizenship) within 35 days of joining online, the distributor's ID will become invalid.

7 Representations Made by Distributors

- a. Distributor(s) shall not exaggerate or misrepresent benefits associated with the Company and the Company's products and services.
- b. Distributor(s) must know and convey that earnings come only through hard work, commitment and consistent efforts.
- c. Distributor(s) shall not make claims other than what is mentioned in the Company's plans and literature about products, quality and earnings. Company has the unconditioned rights to take any and all actions including seeking damages for distributor's action/inaction inviting and causing illrepute / loss to the Company for misdeclaration or misrepresentation.

8 Labeling, Packaging and Pricing

The product description, labeling, pricing and packaging done/determined by the Company is final and sacrosanct. No alteration is permissible in these. Distributor(s) are not authorised to relabel, repack, and alter description or sale products loose or in a form not originally caused by the Company or at a price not fixed by the Company. Allegations against distributor(s) for contravening this rule shall be investigated and appropriate action will be taken.

9 Cross Sponsoring/Multiple IDs

No Cross Sponsoring of distributorship shall be allowed. "Cross Sponsoring" in this context means:

- a. Signing up an existing distributor from another group.
- b. Signing up the wife when the husband is already a distributor or vice versa.
- c. Signing up under another sponsor to operate his/her new distributorship when his/her previous distributorship is still valid.
- d. Allowing other people or relative to use his/her distributorship to do business.
- e. If son or unmarried daughter joins the business with their own ID but their line of sponsorship is not under their Family^^ ID, then such a case will be treated as cross sponsoring and the ID taken by son/unmarried daughter will be terminated.

Same will apply for any of the family members not joining under their son/ unmarried daughter's line of sponsorship.

In the event of Cross Sponsoring or in the event of a distributor using a second or multiple IDs, the following procedure shall be followed:

(I) If an active distributor is found promoting a network in another line of Sponsorship including but not limited to promoting the network of a blood relative/relative/acquaintance or Company/firm/entity/enterprise (whose beneficiary is any of the listed above), at any Healthy Living Nepal event/office/DLCP, on social media or any other location, then the Company will take appropriate action against that distributor. Once the other ID/IDs for which the distributor has been doing activities/promotion is identified, the ID/IDs for whom the distributor is doing activities/promotion will be terminated and the network under the ID/IDs will move up to the next higher id.

(ii) In the event any distributor is found doing activity in any network including but not limited to promoting the network of a blood relative/relative/acquaintance or Company/firm/entity/enterprise (whose beneficiary is any of the listed above), at any Healthy Living Nepal event/office/DLCP, on social media or any other location, during the cooling off period (within six months of resigning –termed as inactivity rule or period), the related ID will be treated as a second ID and the same will be terminated and the network under the ID/IDs will move up to the next higher id.

(iii) Appearance in any form of meetings offline or at any digital platform, etc., within the cooling off period of resigning, will render the resignation of the distributor in question nullified due to violation of the inactivity rule. The distributor's "cooling off" period will be recounted from the date of the second ID's termination.

(iv) The Company will take strict action for Cross Sponsoring as per the above rules. In addition the Distributor who was involved in Cross Sponsoring will be severely warned and fined/suspended for such activities. If the Distributor does not stop such activities the Company will terminate the distributorship and also withhold the Bonus payment of any distributor who is found continually doing Cross Sponsoring of any other existing Distributors. In addition if the distributor is running any DLCP/MINI DLCP/DCC, the same will also be closed down by the Company.

(v) After resignation/termination the network will go to his/her direct upline, subject to Renewal/Reconciliation/vacancy Policy of the Company.

(vi) If the Company receives a complaint within twelve months of Cross Sponsoring, and after investigation it is found that the complaint is valid, then the Company will terminate the second/late ID/IDs of the distributor and the network developed under the second/late ID/IDs will be shifted under the first ID or can remain under the terminated ID as per the decision of the management.

(vii) However, in a situation, when the complaint against a distributor regarding Cross Sponsoring is filed within twelve months, but the ID/IDs are not identified within the same period, then the complainant must submit the details of such ID/IDs within three months of filing the complaint. The Company will take action as per above clause (vi) after getting the details of other ID/IDs.

(viii) If the complaint is received after more than twelve months of a distributor taking other ID/IDs, the same will not be entertained. On receipt of such complaint, the Company will terminate one of the IDs of the distributor, which ever the company may deem fit, and the network will remain with the active ID.

(ix) If any distributor is found taking different IDs, the Company will take strict action against the distributor which can also lead to the termination of all the IDs, as and when they are discovered.

In case the Management finds out that the registration of a distributorship/ second ID was done through unethical means, or without the distributor's consent/knowledge, or by submitting illegible/invalid documents, then the Company will terminate the ID/IDs, which the management may deem fit and the network of such terminated ID/IDs will move up to the next higher distributor. In addition, the distributor who initiated the above mentioned activities will be subjected to disciplinary action by the Company that may result in the Company suspending/terminating/withholding bonus payments of the distributor and/or imposing a fine on the distributor.

The Company shall be free to decide the appropriate penalty in all cases of Cross Sponsoring/Multiple IDs and its decision in this regard shall be final.

10 Place Order

The distributor has to place order within 35 days of joining. If the order is not placed then it will result in distributor's application not being accepted by the Company and the ID will be rendered invalid.

11 Inactive Distributor

Irrespective of the level attained, if a distributor does not place any order in preceding twenty four months or more, since the DAF was entered or since the last purchase by the distributor, then the Company reserves the right to take a decision (including termination) regarding the distributorship of the said distributor. If the distributor does not place any order with the Company for the preceding nine months, the distributor will be termed as an "Inactive distributor". After completion of inactive period the distributor can join under any of the distributors, and can take a fresh ID.

However new id if taken under Family^^ must be in the same line of Sponsorship. If any distributor takes a fresh ID after an inactivity period of nine months, then the first ID will be treated as invalid.

12 Expiry/Cancellation/Resignation/ Succession of Distributorship

a. Any distributor may resign from distributorship by submitting an application and required documents. Acknowledgement of receipt of such communication constitutes resignation. A person who resigns or whose distributorship is cancelled/terminated may reapply for distributorship only after a lapse of a period of 6 months (cooling period) from the date of resignation/cancellation/ termination of his/her last distributorship. The fresh distributorship may be granted by the Company after reviewing the application.

In such cases the person cannot have any claim whatsoever over the downline(s)/business he/she had prior to reapplication of the distributorship.

- b. In case a distributor resigns for certain unforeseen circumstances, subject to Company's satisfaction, he/she may transfer the distributorship to his/her blood relative only (proper proof and documentation required).
- c. Distributorship in ordinary circumstances expires upon death or proven incapacity of the distributor. However, nominee of the deceased upon evincing interest to succeed distributorship may be allowed by the Company. In cases where the nominee does not come forward till 3 months from the date of death or incapacitation of the original distributor as the case may be, successor of the deceased upon submitting appropriate documentation and evincing interest to succeed distributorship may be allowed by the Company. However, under no circumstances such distributorship will be entertained after 6 months from the date of death or knowledge of incapacitation of the distributor either from nominee or successor.
- d. Distributorship may be cancelled/terminated, declared unclaimed or suspended by the Company for the reasons mentioned in the Company's Policies/Rules and Regulations.

13 Marriage

- a. The Company treats wife and husband as one single unit for the purposes of distributorship.
- b. In situations where two independent existing distributors marry each other, upon marriage both of them are deemed to have surrendered their distributorship. The distributors who are married to each other, shall separately intimate to the Company about their marriage within 30 days from the date of their marriage. Subject to conditions of other sub-clauses of this clause one amongst them ought to resign within 30 days from the date of marriage, failing which distributorship of both distributors shall be cancelled. Original downline structure of the distributor who resigns for reasons of marriage in terms of this sub-clause shall remain unchanged. However, to maintain relationship with the Company and to conduct Healthy Living Nepal business, the Couple may form a 'partnership firm' in lines of the model 'deed of partnership' prescribed by the Company for the purposes of common distributorship, and submit the same under cover of a joint application seeking distributorship for such 'partnership firm' within 30 days of their marriage. This partnership will replace the distributorship of the distributor who does not resign and the Structure will remain unchanged.
- c. Upon marriage amongst two existing distributors and they being given 'partnership' (irrespective of their cadre / level), they shall have a joint bank account and inform such particulars to the Company within 60 days from the date of marriage. The Company upon receipt of such intimation shall credit payouts / bonus earned by the 'partnership' in such account. If the account is not opened, no Bonus will be paid out by the Company and the Partnership firm will have no lien on the Bonus earned for the period. However, this sub-rule will not be made applicable for distributor couples who are both Star Directors and Car Fund Achievers unless of course they want such an arrangement.
- d. If both distributors are Star Directors and Car Fund Achievers, then their individual distributorships may separately be retained at

original status. However, one amongst the two may resign from distributorship / Star Directorship and the couple may apply for a single distributorship through "partnership" (comprising both of them as partners). This partnership will replace the distributorship of the distributor who does not resign and the Structure will remain unchanged. In such cases, original downline structure of the distributor who resigns for reasons of marriage in terms of this sub-clause shall remain unchanged. Even in this case both of them shall separately intimate the Company about their marriage within 30 days from the date of their marriage.

e. In case such couple does not form any 'partnership firm' within 30 days from their date of marriage or either of them does not inform factum of their marriage to the Company, the Company reserves the right to cause appropriate changes in their downline/network and merge their business(s) of two distributorships into one with conditions as may be deemed appropriate to the Company and/or cancel distributorship of one or both as per its discretion.

14 Separation

In case of divorce amongst couples having distributorship through 'partnership firms' formed as aforesaid, benefits of distributorship and the distributorship itself shall be apportioned or transferred as the case may be in terms of the 'deed of partnership'. Such changes in distributorship of the 'partnership firm' shall be caused by the Company only on completion of 90 days after receipt of the 'decree of divorce' granted by a competent court. The distributorship of the partnership firm of the couple shall be put under suspension with effect from the date of commencement of divorce proceedings between the couple and during pendency of divorce proceedings, the Company in its discretion, may as a special arrangement, allow (without insisting upon lapse cooling period) both parties do Healthy Living Nepal business separately as freshly appointed distributors. After the judgment of the court, the suspension of the spouse in whose name the court has approved for distributorship to be continued, can continue as a distributor, and the partnership will stand dissolved. In case the judgment is silent on the issue, the distributorship under partnership will stand terminated. In cases where a married couple is distributor and co-distributor and any of them files a petition for divorce, the Company shall only consider the distributor as its principal distributor and no rights shall accrue to the co-distributor except when a decision is taken on the issue of succession of distributorship by an appropriate court (whether interim or final). However, this shall be subject to a final decision by the Company.

15 Waiver

- a. The failure of the Company to exercise any rights stated in the Company Rules and Regulations or in the Distributor Application Agreement shall not constitute a waiver of the Company's rights to demand exact compliance therewith.
- b. Any waiver by the Company can and shall only be affected in writing by authorised personnel of the Company.
- c. The Company reserves all rights to take all decisions which it feels are necessary to protect the best interests of its distributors, customers and its business including decisions concerning implementation of this Business Plan. The Company's decision in this regard shall be final.

16 Prohibited Act

- A distributor shall not
- a. Incur any liabilities or Debt in the name or on behalf of the Company.
- b. Enter into, modify or alter any contract in the name of the Company.
- c. Engage itself or show interest directly/indirectly as agent, servant or licensee for sale of any product/goods other than those of the Company, in any trade, business or profession in competition with the Company.

Glossary of terms

- PV :** Point Value – every product ordered is assigned fixed PV. PV accumulated by self and group determines the achievement level.
- SP :** Self Purchase – purchase on self ID in any given month.
- PGPV :** Personal Group Point Value is the business of your entire group and does not include the business of your qualified director groups.
- Exclusive PV :** Self purchase + 5% to 12% legs' PV in any given business month.
- GPV :** Group Point Value is the business generated by your qualified director groups.
- CPV :** Cumulative Point Value is the business accumulated by your group.
- TPV :** Total Point Value – it consists of your PGPV + GPV.
- ^^Family :** Grand parents/parents/self