



DISTRIBUTION POINT("DP") AGREEMENT

MODICARE LIMITED

Registered Office: 5, Community Centre, New Friends
Colony, New Delhi-110025

DISTRIBUTION POINT ("DP") AGREEMENT

This DISTRIBUTION POINT ("DP") agreement is made

BETWEEN

MODICARE LIMITED, a company incorporated under the Companies Act, 1956 having its registered office at 5, Community Centre, New Friends Colony, New Delhi-110025 having, CIN#U72200DL1973PLC110617 and PAN# AABCM9425F (hereinafter referred to as "**Modicare**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

AND

Mr./Ms. (Name)

DP Code

MCA No.

Address

PAN No.

(Hereinafter called "DP" which expression shall mean and include heirs, executors, administrators and legal representatives of the sole proprietor) of the Other Part.

WHEREAS

1. Modicare appoints "DP" (Web DP- For facilitating Web Based orders) for sale of the products through Distribution Point at an approved location in lieu of which the DP would be entitled for a subsidy of 3-4% (Variable pay on product range). There can be change in % of this subsidy as per Business Requirement from time to time and same would be communicated by Modicare accordingly. There will be no subsidy on purchase of Zero BV products or on redemption of Loyalty Coupon etc.
2. The party of the Other Part is an existing valid active consultant with Modicare and has achieved minimum Accumulated Performance Bonus level of 13% with an approved status of KYC/NEFT & PAN which is a prerequisite to be appointed as "DP".
3. The other party had understood the policies & procedures and agrees for the appointment as the "DP" to distribute the product.
4. Modicare has agreed to appoint the party of the Other Part as the "DP" to distribute its product on terms and conditions set out herein.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Appointment of "DP"

That Modicare hereby appoints the party of the Other Part as the "DP" and the party of the Other Part agrees to act as the "DP" of Modicare products on the terms and conditions stipulated hereunder. It is being understood between parties that Modicare retains the right to add to or remove products from its portfolio. Allotment of DP is subject to Modicare's approval and discretion; decision of Modicare will be final and binding.

2. Effective Date of Agreement

This agreement is effective from the date on which DP code is allocated by Modicare.

3. Basis of the Agreement

The relationship between the parties shall be that of principal to principal and not that of principal and agent notwithstanding anything to the contrary that may be contained in this agreement or any correspondence or letters between the parties hereto. Accordingly the "DP" shall at no point hold himself out as an agent of Modicare and Modicare shall not be responsible for any act omission or commission on the part of the "DP".

4. Right to appoint other "DP"

Modicare shall have the right

- (i) To appoint other "DP" in respect of all or any of the Products in the town in which the "DP" is situated and operated as Modicare may deem expedient and necessary.
- (ii) To sell all or any of the Products to any other persons at any time in the said town to whom Modicare wishes to sell.

5. Location of Distribution Point & Requirements

5.1 Location of Distribution Point should be accessible and decently approachable. DP must operate from approved location only (after verification of address proof and location photo). If any violation of this condition is found, DP will

be liable to be terminated.

5.2 Change in DP address/location would be subject to company's approval only after due submission of necessary documents by DP on support ID & DP Executive/ASM. Any change in address would require Regional Head's approval.

5.3 Web DP need to check their local rules and shall apply for the Registration/License under the Food Safety and Standard Acts (FSSAI), and shall be solely responsible for any financial implication/penalty for non-compliance under the said FSSAI law. WEB DP shall also comply with all the laws, as applicable on him, from time to time.

5.4 DP would be responsible to apply for Trade License as per applicable law and would be liable for any financial implication/penalty, in case of any non-compliance.

6. Space requirement for Distribution Point, Security Deposit and Business Material

Security Deposit amount	Trade Value against DP	Minimum Space Requirement	Business Material	Interest payable annually on Security Deposit
INR 25,000/- (Web DP model)	INR 1,75,000/-	Minimum 50 sq. ft.	Poster through Email- (Cost of Sun board for outside/inside branding is excluded in security deposit and it is mandatory to purchase	7% per annum

Note- Modicare shall not accept the Security amount in cash, moreover, at no point cash equivalent to or more than 2 Lacs shall be deposited under any circumstances. The security deposit amount is refundable at the time of termination of agreement by either party.

6.1 New DP's: Opening from 27th Oct'21 and beyond

Old DP's: Opened till 26th Oct'21

1. Starting 27th Oct'21 (new), the minimum distance criteria between all Active and Ethical DP's shall be as follows:

- The minimum distance between all Active and Ethical DP's across India is 500 meters.
- The rule of 500 meters doesn't apply to the State of Maharashtra, Karnataka, Kerala, Andhra Pradesh, Telangana, Tamil Nadu, Lakshadweep and Andaman & Nicobar. ** Please refer point 2 & 3 for rules applicable to these States
- Below points would be checked to assess Active DP
 - Minimum total secondary sales of 1.5 Lakh in every 3 month with a minimum sale of 15,000.
 - Minimum Self Stock of at least 50,000 in every month in a rolling quarter (For older DP's opened with 50,000 Trade, Min Self Stock to be maintained is 15,000)
 - Following COE – not indulging in crosslining and ensure servicing all teams.
- This Clause 6.1 will be reviewed every 3 months.

2. ** List of 1 Km Cities

Sr No	Large City with Population of 10 Lakh and above - GOI Census Data and Classification
1	Mumbai/Navi Mumbai/Thane/Kalyan/Dombivili/Vasai/Virar
2	Bengaluru
3	Chennai/Tiruchirappalli
4	Hyderabad/Vijayawada
5	Pune/Pimpri
6	Nagpur
7	Tirunelveli
8	Nashik
9	Visakhapatnam
10	Madurai
11	Coimbatore
12	Andaman and Lakshadweep

3. Minimum Distance 3kms- All other areas not mentioned in above list for the State of Maharashtra, Karnataka, Kerala, Andhra Pradesh, Telangana, Tamil Nadu, Lakshadweep and Andaman & Nicobar.

Note- Only motorable distance would be considered as per Google Maps. It is compulsory for all to map their approved location correctly on Google Maps. DP's who map their approved location incorrectly or do not map their approved location shall not get exemption under this policy.

7. Training, Certification and Survey of “DP”

7.1 Once the DP Code has been allotted, DP will have to undergo a Training and Certification program that would be organized on quarterly basis in each region. A certificate would then be issued to each DP who would attend the Training and its record would be updated as Certified Modicare DP. DP would be required to display this certificate at his Distribution point at all times. It would be mandatory for all existing and new DP owners to go through, complete and pass the validation of Modicare online DP Training (LMS) and to be certified and stay active.

DP shall start its Operations by taking products of minimum value as in the table above, against its DP code. The products/stocks may be decided by DP owner. Products will be billed to DP, however there will be Zero BV on this transaction.

7.2 On every order invoice, a survey link would be sent to consultant basis which a DP owner can be rated on his services. Each quarter, our top rated DP's details would be published on Web and they would be recognized as per prevailing reward scheme. At the outset, necessary action would also be taken against all the DP Owners whose star rating is continuously low.

7.3 By default the details of DP (Name, Code, Telephone and Address) shall be published on Modicare Website (Store Locator), for any request/change/omission pertaining to display of personal details on Website needs to be requested to Modicare in writing with reason.

8. Stock and DP Audit

8.1 “DP” should keep stock of “Modicare Products” as mutually agreed. DP is also required to cooperate in stock exercise/ audit, done from time to time by Modicare Executive.

8.2 DP would undergo a periodic Audit varying from Monthly/Quarterly & Annual visits by Modicare Executives or any appointed third party to ascertain that book stock matches the physical stock, DP is maintained and operated as per policy/code of ethics and would solely be responsible for any financial implication/penalty arising out of any irregularity.

8.3 All models of DP would be required to maintain the minimum self stock (as announced by Modicare) at all times, or to replenish same within a period of 07 days, failure to which would attract alerts from Modicare and repeated offenders would be suspended.

8.4 DP Executives would also conduct monthly DP Audits to ascertain the DP location, Branding, up-keep, Self Stock, billing and other DP Operations.

8.5 The trade stock billed during DP Opening i.e. Zero BV Stock is considered as the investment stock/money, hence there is no return/exchange of any non-saleable/expired products at DP.

8.6 At any point, no product replenishment would be done from WH/MSC with an expiry less than 3 months and all products with expiry of 3 months or more can be sent to DP's in replenished stock. Note- This doesn't apply to stock clearance sale products.

** The discretion on above remains with Modicare after assessing the circumstances.

9. Reimbursement for picking up stock from Modicare Service Centre (MSC)/Warehouse

In case the DP picks up stocks from the assigned MSC/warehouse on its own, DP will be reimbursed @ Rs.10 per kg of stock picked up from MSC/Warehouse.

9.1 DP's need to ensure that they pick up their stock from MSC between a maximum period of 72 working hours, failure to which, shipment may then be sent via courier and the invoices would change from Self Pick up to Courier mode and would not benefit the DP with the INR10/KG clause.

9.2 During Self Pick up, DP Needs to ensure that all compliances pertaining to E-Way or any other documentation in order to avoid any penalty from GST Enforcement Team as the accountability would remain with the DP.

9.3 Any repeated trend in not picking the stocks from WH/MSC (ordered for self pick up within timeline) would be evaluated and can also attract suspension of self pick up option from DP Dashboard.

10. Shortage/Damage and Goods return

10.1 Details of shortages/damaged/leaked products received through courier in unsealed/damaged condition should be mentioned on the courier receipt copy (POD), a copy of this POD, packing list, damaged products with complete details of order, product/qty (for shortage as well) should be reported to support-modicare@modi-ent.com or to our call center on 01246912900 within 24-48hrs of receipt of Order and obtain your Service Request Number.

10.2 In case Shipment is received intact, however, shortage/damage has been found inside, then complete details of Order; Product name/quantity of shortage/damage with a copy of packing list/damage product should be reported to support-medicare@modi-ent.com or to our call center on 01246912900 within 24-48hrs of receipt of Order and obtain your Service Request Number.

11. Responsibilities of “DP”

- (i) To obtain from the consultants the orders for the Modicare products to effect sale from Modicare to the Consultants.
- (ii) To Receive consideration from the consultant and transmitting the order and consideration to Modicare
- (iii) Once the order is ready for dispatch at Modicare, to receive the order either through physical pickup from Modicare location or through courier
- (iv) To store the orders picked up or received from Modicare as per Modicare instructions at DP location till the same is picked-up by Consultant
- (v) To furnish security as per agreement to safeguard the interest of Modicare against the value of Modicare goods at DP point before delivery to the Consultant.
- (vi) To make the ordered quantity available to consultant.
- (vii) To facilitate replacement/damaged/defective product as per Modicare policy (For all Orders placed from DP).

11.1 It will be DP’s responsibility to service/deliver the products to the Consultants maximum between 24-48 hours of order taking if products are available in stock at DP location, or alternatively within 24-48 hours of receipt of stock after ordering.

11.2 DP will ensure regular billing through Modicare, processing orders quickly as and when order is received; and will ensure that the orders are converted into invoices and BV is generated on the correct MCA number immediately. DP will ensure that any billing that is accepted from consultant is converted into Order Invoices on real time basis, any loss to consultant like loyalty miss etc. due to negligence in billing/not doing timely billing will account for DP’s liability to compensate the consultant or debit to DP or as advised by Modicare.

11.3 Offers should be informed to Consultants; free products under the offer must be issued to Consultant

11.4 DP will offer service to any Modicare Customer or Consultant who walks into your premises, whether the person is from your own network or from cross line network. Further DP will entertain the consultant from cross line network only for supply of goods and refrain from poaching/enticing.

11.5 It will be the responsibility of DP to ensure Modicare Branding is in place at all times.

11.6 DP will ensure that all Modicare products are kept in order/systematic way and Code of Ethics are displayed at all times.

11.7 You will display DP Opening/Closing timings and shall adhere to it at all times.

12. Payment options for funds deposit by “DP”

Various modes of payment available with the “DP” are listed below:

12.1 **DPs Virtual account**– The company has tied up with IDBI bank under which company will open a virtual account with IDBI bank for every DP. The account number shall be intimated by the Company to the DP. The funds can be transferred by DP owner into company’s bank account using net banking facility from their bank account. This is the recommended mode since it would be faster way of processing of the orders.

12.2 **Direct Deposit**- DP can deposit funds by visiting any of Modicare Bank Accounts by visiting the nearest branch: Kindly contact nearest MSC to get Bank Account details.

12.3 **Deposit at MSC**: Funds can be deposited at nearest MSC and DP can obtain receipt thereof. On generation of receipt, funds get transferred to DPs M wallet. DD should be drawn in favor of Modicare Ltd. payable at New Delhi.

12.4 **Deposit on Modicare website**: The DP can transfer funds to DP M-wallet using its Credit Card/ Debit Card/ Net Banking on the company’s website.

12.5 DP can also use his/customer credit card/net banking to make transactions

13. Business Promotion, Code of Ethics and Business Rules

In terms of the present agreement the “DP” reiterates his commitment to work in promoting Modicare’s business, brands, products and goodwill. In furtherance of the same the “DP” agrees to support and assist Modicare in the brand/product promotion exercises undertaken from time to time, through sales promotion

exercises/schemes/contests/trade discounts/ and also upon Modicare instructions to build and/or maintain a prominent display of all brands of Modicare's products in his premises and in the markets covered by the "DP".

13.1 DP will ensure to maintain the price integrity of all products.

13.2 DP will not create pages, websites, accounts or other online sites to sell Products.

13.3 DP will not offer discounts or promote special promotions which are not being offered by Modicare.

Above is not an exhaustive list of rules and are only part of key elements of Code of Ethics that may attract suspension of DP in case of any breach.

13.4 It is mandatory for DP to prominently display in the DP location, Code of Ethics and Rules of Business available on Web, which needs to be availed from Modicare at the time of DP opening.

13.5 Retailing or selling Modicare products on e-commerce would attract immediate suspension.

14. Statutory obligations

The "DP" shall discharge all statutory obligations cast upon him including those under indirect taxation statutes and shall forthwith, upon request, furnish the returns/proof/declarations forms in respect thereof to Modicare, failing which, any consequential liability accruing to Modicare, Modicare shall be at liberty to adjust appropriate and/or recover the amounts from the "DP".

15. Secrecy / Confidentiality

15.1 The "DP" undertakes that all information, arising out-off and in the course of this agreement, pertaining to the sale of the products, including formal records, summaries and reports , shall be treated as confidential information. The "DP" shall use its best endeavor to ensure that the employees who have authorised access to such information shall keep it confidential and in secrecy.

15.2 The "DP" further undertakes that the "DP" shall take all reasonable precautions to protect the confidential information and neither the "DP" nor his employees who have access to the confidential information shall use, produce, copy, translate, sell, distribute in whole or any part or summation of the confidential information except to the extent necessary for performance of their duties pursuant to this agreement.

15.3 The "DP" or his employees and/or associate claiming under, or through the "DP" shall not copy, reproduce, publish, sell and/or distribute in whole or in any part or summation of such Proprietary/Confidential information without prior written permission of Modicare.

15.4 The "DP" or his employees and/or associate shall not do any act/acts which are purported to malign image of "Modicare" and its products or its directors/officers.

15.5 The "DP" acknowledges that any breach of such condition would injure Modicare irreparably and that money damages alone would not sufficiently remedy for such breach. In addition Modicare shall be entitled to its rights of specific performance and injunctive relief under the terms of this Agreement, which relief would be without prejudice to any other rights and remedies available under the law.

16. Termination

16.1 Modicare can terminate this agreement on the happening of any one or more of the following events:

i. To remain active, DP will be doing active/minimum sales as decided by the Company. Failure to comply with this requirement will lead to de-activation (closure) of the DP.

ii. Modicare will review the stock status of all DP's after this period and take appropriate action in case of non-conformance to the guidelines

iii. In the event of the "DP" being, in the opinion of Modicare (whose opinion shall be final), incapable of complying with this Agreement or in the event of the "DP" becoming or being adjudged insolvent or making a composition with his creditors or being a company going into liquidation either voluntary or compulsory or in the event of the financial position of the "DP" at any time during the currency of this Agreement being considered by Modicare (whose opinion shall be final) to be unsound.

iv. In the event of an act by the "DP" of a fraud on Modicare in connection with this agreement or upon the "DP" failing to carry out any stipulation contained in this agreement for 7 days after being required in writing to do so by Modicare.

v. In the event of any lawful authority ordering Modicare to terminate this agreement.

vi. The DP accepts that the Terms & Conditions of the company for opening /operating DP's may change from time to time and the same will be accepted by the DP from the date they are announced by the company. In case there is a default by DP in timely deposit of funds more than 3 times, the DP is liable to be terminated.

vii. A proper conduct needs to be maintained at all times through all channels while dealing with Modicare or any of its representative, any type of misconduct towards any employee or Modicare may attract disciplinary action and may result

in Termination of this agreement.

viii. Modicare may terminate the agreement with or without giving any reason if the same is found expedient for the business interests of Modicare.

ix. The Modicare sales through each DP would be assessed on Monthly basis, consistently low sales or inactive DP's would attract suspension/termination from Modicare.

x. DP can be terminated for any of the following reasons- a) Promotion of competition products, aligned with another MLM or competition company, b) Poaching, not servicing consultants, c) No or very less sale that would be evaluated monthly, quarterly or yearly. Note- This is not an exhaustive list, for complete list of Code of Ethics please read SMAP-Code of Ethics.

16.2 Expiry or termination howsoever occasioned shall be without prejudice to the rights and obligations already incurred prior to the date of such expiry or termination and the accounts between the parties shall be settled.

16.3 The "DP" shall not be entitled to any compensation or damages from Modicare for termination howsoever occasioned.

16.4 At the time of surrender/termination of DP by Modicare, the DP can return his ZeroBV saleable stocks having more than 3 months of remaining expiry period. The Company shall refund the value of such saleable stocks. The stocks shall have to be brought to the nearest MSC/WH (Warehouse in case there is no MSC) by the DP on own cost. The full and final settlement can take a maximum of 45 days. (As per GST rules)

16.5 If any irregularity is found in stock/funds etc. at the time of closure same would be deducted from the final amount.

16.6 Any DP Closure request within 3 Months from Opening would require approval from Modicare.

16.7 Transfer of DP Ownership under any circumstances is not permissible, DP needs to be closed and new owner shall apply with fresh application.

17. Trademark

a. The "DP" should not use the trade name, logo, trade mark, design, copyright belonging to Modicare or of which Modicare is the proprietor/owner thereof in any way which might challenge or damage the validity or use of trade name, trade mark, design, copyright wrongfully causing injury to Modicare's business, reputation & goodwill.

b. The "DP" shall not use adopt/utilize any of Modicare's logo, trade mark, design, copyright as a part of any trade name or its or any other corporate name on any other product or literature, pamphlet or except as otherwise expressly the authorized in writing by Modicare. The "DP" shall not combine as a unitary or composite mark any other trade mark with any trade mark or use any other trade mark on product labels, wrappers, advertising or promotional materials approved, (except as may be required by and/or) in writing by Modicare.

c. The "DP" shall indemnify, keep indemnified and keep Modicare harmless from and against any and all claims losses damages expenses or liabilities of any nature of whatsoever caused by the use adoption of logo, trade name, trade mark, design, copyright

18. "DP" Employees

(a) It is expressly agreed and understood between the parties that all the staff and personnel employed by the "DP" are and all time be and remain as DP's employees. Such persons engaged by the "DP" in connection with the performance of the obligations under this Agreement, shall at no time become or be deemed to have become Modicare's employees, agents, representatives or servants.

(b) As their clear and rightful employer the "DP" shall have the exclusive liability and responsibility for compliance of requirements under various enactments, laws and other obligations with regard to these employees.

(c) The "DP" undertakes to keep Modicare fully and completely harmless and indemnified against any claim demand made on Modicare by the "DP" employees or any statutory authority and/or government.

19. Communication between "DP" and Modicare

"DP" can communicate with Modicare in any one of the following ways:

E-mail- You can contact us by e-mail at support-modicare@modi-ent.com

Telephone-You can contact us by call Azaadi call Center-01246912900

Post mail- You can write us at : Modicare Limited , No-5, Community Center, New Friends Colony New Delhi-110025

20. Indemnification

“DP” shall indemnify and hold harmless Modicare and its Directors, officers, employees, agents, stockholders, affiliates, customers from and against all allegations, claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation attorneys’ fees and costs) which arise out of, relate to or result from any act or omission of the DP.

21. Governing Law and Jurisdiction

The contract shall be governed by and constructed according to the laws in force in India. The service “DP” shall hereby submit to the jurisdiction of the courts situated at “New Delhi” for the purpose of actions and proceedings arising out of the contract and the courts at “New Delhi” shall have the sole jurisdiction to hear and decide such actions and proceedings

22. Supersedes previous Agreements

This agreement supersedes all previous communications, representations, assurances or agreement either written or oral between the parties hereto or between “DP” and any other Entity to which Modicare is a successor.

23. Cancellation Policy

23.1 Warehouse- An order processed through Warehouse can only be cancelled before the items are dispatched. Any request after this wouldn’t be entertained for cancellation and there isn’t any reversal to it. Note- Order cancellation effective 25th of each month is not accepted or for last month is not possible.

23.2 DP shall request cancellation via email on support-modicare@modi-ent.com (copying DP Executive) & submit a duly filled & signed cancellation form available on web portal.

23.3 MSC- An order processed through MSC can be cancelled before or after collection of shipment by submitting a duly filled & signed cancellation form, if order is cancelled after collection of shipment then all items shall be returned as per invoice in saleable condition.

23.4 Self Stock order- An order placed from DP’s self stock can’t be cancelled, hence DP should be cautious while processing request from self stock.

24. Product Return Policy

24.1 The company will accept return of products along with relevant Customer Order Receipt, Product Return Form and related invoice within 30 days of its purchase.

24.2 In case a customer returns the product under 100% Satisfaction Guarantee (partially used 30%), he/she will have the option to take credit note (through which they may buy same or another product of same value) or cash (max Rs.1000/-).

24.3 Products are to be returned to MSC, period of return for products is calculated as the number of days from the Invoice Date.

24.4 If product return is greater than or equal than 6 in number on a single invoice, 10% handling charges will be deducted.

25. Acceptance

I _____ (“DP”) have read the terms of my appointment as DP and agree and accept to abide by the terms of this agreement.

This is a computer generated document and does not require signature.

