

Code of Ethics and Rules of Conduct for Blulife Independent Distributor

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Code of Ethics of Blulife Distributors

As owner of my Blulife Distributorship, I agree to conduct my Blulife business according to the following ethical guidelines:

1. As a basic guideline in my activities as an Blulife Independent Distributor, I will endeavor to always treat others, as I would have them to treat me.
2. I will respect and follow this Code of Ethics and the Rules of Conduct observing not only “the letter “but also “the spirit “thereof.
3. I will present Blulife Products and the Blulife Sales and Marketing Plan to all prospective distributors in a truthful and honest manner, and I will make sure to present only what is approved in official Blulife publications.
4. I will be courteous and prompt in the handling of any and all claims for exchange and return and follow the Rules of Conduct in its official publications.
5. I will conduct myself in such a manner as to reflect only the highest standards of integrity, frankness and responsibility because I recognize that my conduct as an Blulife Independent Distributor has far reaching effects.
6. I will accept and carry out the responsibilities of an Blulife Independent Distributor as set forth in official Blulife publications.
7. In my Blulife product sales activities, and for the purposes of protecting the Blulife Sales and Marketing Plan, I will use only Blulife produced or Blulife authorized publications.

RULES OF CONDUCT

Section 1: Introduction

The Blulife Rules of Conduct define and establish certain principles to be followed in the development and maintenance of an Blulife Distributorship and the rights, duties, and responsibilities of each Blulife Independent Distributor.

The Rules are designed to preserve the benefits available to all the Distributors under Blulife Sales and Marketing Plan.

Blulife and its Distributors have a binding contractual relationship. The terms and conditions of this relationship are set forth in the Blulife Distributor Application Form, Blulife Sales & Marketing Plan and Blulife Rules of Conduct as updated by Blulife from time-to-time. (Herein after referred to as the "Official Documents")

From time to time the content of these Documents may be amended by Blulife. Blulife will, prior to making any amendment to the Official Documents, submit to the Distributor leadership for discussion, evaluation, and recommendation, proposed amendments other than those necessitated due to any government order, regulation or law. Final decision-making authority with respect to any amendment rests with Blulife. Blulife will notify all such amendments to the distributor by publishing on its web site www.Blulife.in

Section 2: Definitions

2.1

In these Rules unless the context otherwise require, the following words and phrases shall mean what is given below:

2.1.1 "Blulife" means Blulife Marketing Pvt. Ltd. a company registered under the Companies Act, 1956 having its registered office at Bangalore

2.1.2 "Blulife Business" means the aggregated rights, duties, and privileges of a Distributor to conduct business with Blulife.

2.1.3 "Blulife Products" means all goods and services, including literature and other support or auxiliary materials, made available by Blulife to distributors

2.1.4 Blulife sales and marketing plan means the plan provided by Blulife detailing performance incentive, system, sponsoring procedures and guidelines, requirements, and policies regarding the presentation of Blulife products, the Blulife business and the management of an Blulife organization, as amended from time to time by and of which these rules are a part.

2.1.5 "Business Support Materials" (BSM) refers to any produced materials, in both written and recorded form, and meetings which may be developed, produced, and distributed by Blulife for

the purpose of training and motivating the Distributors in their Business Group, as well as for the purpose of attracting prospects in becoming Blulife Distributors, which is regulated in terms of section 7 herein below

2.1.9 “Cross Group Selling” means that a Distributor selling products to a Distributor in other Lines of sponsorship

2.1.10 “Distributor” means a person or entity that is introduced to the Blulife business and is accepted by Blulife as a Distributor in accordance with Section 3 of these Rules; this term includes the terms “Sponsor”, and “Blue Diamond member” except when the context requires otherwise. Distributors are independent distributor, operating their own independent businesses, and have no employment, agency or similar relationship with Blulife.

2.1.11 “Distributor Application” means application Form detailing the terms and condition of Distributorship that is required to be filled in and submitted by a person desiring to become an Blulife Independent Distributor.

2.1.12 “Line of Sponsorship” shall include in an ascending manner the Sponsor of a Distributor, the Sponsor’s Sponsor, and so forth and shall end at Blulife.

2.1.13 “Market” means the territory of India and such additional territories as may be added by Blulife time to time.

2.1.14 “Rules of Conduct”/ “Rules” shall mean these Rules of Conduct for Blulife Independent Distributors and the Policies & Procedures which can be changed or modified by Blulife from time to time, as provided in these Rules.

2.1.15 “Sponsor” means a Distributor who introduces to Blulife an applicant for authorization as an independent distributor who in turn becomes an independent Distributor by virtue of Blulife’s acceptance of his distributor application. Personally sponsored distributor has a corresponding meaning.

2.1.16 All the terms used in these Rules that are defined or explained in the Blulife Sales and Marketing Plan shall have the same meaning as given in the Blulife Sales and Marketing Plan.

2.2

Except when the content so requires, everything that is in the singular shall include the plural, and whatever refers to the masculine shall include the feminine.

2.3

The Blulife Sales and Marketing Plan shall be considered to be an integral part of these Rules of Conduct.

Section 3: Becoming a Distributor

3.1 Application: -An applicant to become a Distributor of Blulife must

- 1) Fill up, sign and file a Distributor Application for authorization to become an Independent Distributor and sell Blulife products.

Distributorships may be taken up in individual capacity, as sole proprietorship concerns, or partnership firms. Distributor Application Form duly filled in all respects and accompanied by necessary documents like Pan Card, Address Proof, Bank Details with NEFT code etc should be deposited in Blulife registered offices.

3.2 Equal Opportunity: The opportunity to become a Independent Distributor is available to anyone regardless of race, sex, nationality and religious or political beliefs.

3.3 Requirements:-Without limiting Blulife's rights, the following are requirements for becoming a Blulife Independent Distributorship:

3.3.1 A Distributor must be at least 18 years of age;

3.3.2 He must not be unable to manage his business due to mental or legal reasons;

3.3.3 He must not have been suspended from his current profession or business by any professional association, society, or institution;

3.3.4 He must not be in jail and/or confined to any correctional institution of any kind.

3.4 Acceptance or Rejection of Application: Blulife reserves the right to accept or reject any application to be a Distributor without having to give any explanation whatsoever.

3.5 Date of Authorization: An application shall be considered accepted when Blulife enters the personal details of a Distributor on its records and communicates its acceptance to the Distributor in any manner by sending letter or an e mail for confirmation. The Distributor may retail products only after receiving confirmation from Blulife.

3.6 Prohibited Sponsoring Practices: No prospect, as a condition to Distributor shall be required to, becoming a new distributor shall be requiring to nor any currently authorised Distributor, as a condition to provide assistance to a prospect or new Distributor, in the development of their Blulife Independent Distributorship, require the prospect or such new Distributor to:

3.6.1 Pay any joining fee or purchase any specified amount of product

3.6.2 Maintain a specified minimum inventory.

The only requirement which a sponsoring distributor can impose a prospect whom he is willing to sponsor is that the prospect shall fill and sign application form and submit it to Blulife and receive a confirmation from Blulife.

3.7 Cooling off period: A distributor can cancel his Blulife independent distributorship within 30 days from the date of joining. There would be no penalty or retention charges levied upon the distributor if he/she decides not to continue the business. The distributor may repudiate the agreement without being subject to penalty for breach of contract.

3.8 Term of Distributorship: There is no term of distributorship in Blulife unless he/she is terminated for breach of contract or voluntarily resigns from the distributorship. We do not collect subscription fee or renewal fee from the distributor in order to retain the distributorship.

3.9 Resignation or Termination:

- 1) A distributor can cancel his Blulife independent distributorship at any time by sending a letter to Blulife in written or via e mail which must be from registered e mail with company records.
- 2) Blulife may terminate your distributorship if you are in breach of the Agreement. Prior to doing so Blulife will give you a notice of the breach and opportunity to cure within a reasonable time of 15 days.

When your agreement with us is terminated for whatever reason, your distributorship rights as set forth in the Agreement also terminate. This includes the right to sell products and the right to received Bonuses or other income or benefit resulting from the sale and other activities of your Down lines.

3.10 Informal Partnerships: In the case of an informal (unregistered) partnership, the Blulife Independent Distributorship shall be only under the names of the individual partners and not under a business name that the partnership might use for other transactions.

3.11 Legal Entity Distributorships:

A Distributor may own and operate his or her Distributorship as a sole proprietary concern or registered partnership firm or limited liability company (LLC), provided it complies with certain requirements and conditions.

Blulife values its personal relationship with its Distributors and would not ordinarily appoint a sole Proprietary concern/partnership firm/limited liability company as an Independent Distributor or approve of a transfer of an Blulife Distributorship from one or more individuals to any of the Blulife Independent Distributor. However, Blulife recognizes that certain advantages could accrue to a Distributorship which adopts a legal entity structure, including

- (a) Tax benefits and tax savings,
- (b) Perpetual existence and limited liability for a LLC
- (c) Estate planning, and
- (d) Ease of transfer.

On other hand the impersonal character of a legal entity distributorship could result in unfavorable consequences to Blulife unless certain conditions or restrictions are imposed. Accordingly, will require such distributorship to company with the following

3.11.1 The legal entity in addition to application form must file with Blulife a Corporate Authorization Form, duly signed by its Sole Proprietor or Partner or Director as applicable.

3.11.2 No change in the partners, in case of a partnership firm or in case of a company, no change in the number of shares issued, in the ownership of the shares or in the membership of the Board of Directors, may be made, and no agreement or arrangement affecting control of the company by the individuals conducting the Distributorship business may be adopted, without application to, and the prior written approval by, Blulife.

3.11.3 All partners, shareholders and Directors shall personally and irrevocably guarantee due performance by the partnership firm / company of all of its obligations and responsibilities as an Independent Distributor, especially those outlined in the Code of Ethics and Rules of Conduct of Blulife Independent Distributors as set forth from time to time in official Blulife literature.

3.11.4 The sole business of the legal entity must be the operation of an Blulife Independent Distributorship. No other business may be conducted by such an entity.

3.12 Trust Distributorships:

Do you wish to transfer your Blulife Business to your minor children or old parents who cannot themselves presently operate as Blulife Independent distributors, you can do it during your life time.

One of the advantages of building an Blulife Independent distributorship is that the owner may pass it on to his or her heirs as part of his or her estate. In order to accomplish that objective, he or she may wish to transfer the Distributorship to an inter vivo trust during his or her lifetime or arrange for it to be transferred to a testamentary trust after his or her death. The latter may be particularly desirable where his or her surviving heirs may be minors who are disqualified by law from operating the Distributorship until they reach their majority. The trustee must be an individual, and the trustee may also be an Blulife Independent Distributor at the time the trust is created or takes effect.

In order to assure that the transfer of a Distributorship to a trust may not result in unfavorable consequences, Blulife will require compliance with the following:

3.12.1 The creator of the trust must have been a duly qualified and authorized Distributor at the time (or, in the case of a deceased Distributor, immediately prior to the time) that the Distributorship is transferred to the trust.

3.12.2 Frequently the beneficiary of the trust will be the spouse, child, grandchild, parent, or sibling of the Blulife Independent Distributor, or deceased Distributor, whose Distributorship is to be transferred. However, the beneficiary of a trust may be any individual who is eligible to become an authorized Blulife Independent Distributor. A beneficiary cannot be a business entity, existing corporation, charitable organization, non-profit organization, a foundation, or any similar entity.

3.12.3 The trust instrument must not permit the beneficiaries to assign any beneficial interest in the trust.

3.12.4 The trustee (all co-trustees, if more than one) must sign and file an application and receive an Blulife Distributor Authorization.

3.12.5 An original signed (or certified) copy of the trust instrument must accompany the Application, and the trustee(s) must promptly file with Blulife any amendments or any documents which may vary the terms of the trust.

3.12.6 All trustees must execute on its behalf an irrevocable guarantee that the trustee will perform all the obligations and responsibilities of an independent distributor, especially as an outline in code of ethics and rule of conduct as said forth from time to time in official literature.

3.12.7 The term of the trust shall not be perpetual and shall not continue beyond the date necessary to protect the interests of those trust beneficiaries who are unable to act for themselves legally, e.g., minor children or incompetent persons, or who, because of age or inexperience, require assistance in the conduct of business affairs.

3.12.8 The trust will conduct only the business of an Blulife Distributorship and no other.

3.13 Re-application

A distributor who has resigned in accordance with section 3.9 of the Policies and Procedures and remaining inactive for full 6 calendar months, can reapply under a new sponsor after completion of the 6-month inactive period.

Section 4: Responsibilities of All Distributors

4.1 Abide by the Rules/Amendments to Rules: At all times, Distributors must adhere strictly to the guidelines, systems, procedures and policies mentioned in the Code of Ethics and Rules of Conduct and Blulife Sales & Marketing Plan are a part. Any amendment thereto affected by Blulife from time to time, provided the amendment or new Rules of Conduct are published on the website www.Blulife.in or in any other means of communication prior to their going into effect.

4.2 Cross Group Selling:

A distributor in one line of sponsorship must buy all the products either directly from Blulife or from his/her Sponsor.

No Distributor shall engage in Cross-Group Selling. In order to be eligible for the various monetary and nonmonetary benefits available through the Blulife sales and marketing plan, a distributor in one line of sponsorship must buy all of his Blulife products and literature supplies directly from Blulife (or from his or her sponsor) Blulife expressly forbids Distributor to buy Blulife products from Distributors who are not their sponsor.

4.3 Retail Stores: Blulife does not permit distributors to display/sell its products/ literature through retail stores.

No Distributor shall permit Blulife Products or services to be sold or displayed in retail stores, schools, fairs, ships or military stores; nor shall he or she permit any Blulife product to appear in such locations even if the Blulife products or services themselves are not for sale. No Blulife literature shall be displayed in retail establishments. A Distributor who works in or owns a retail store must operate his or her Blulife business separate and apart from the retail store. Such Distributors must secure customers and deliver products to them in the same manner as Blulife Independent Distributors who have no connection with a store. Other types of retail establishments, which are not technically stores, such as barber shops, beauty shops, or professional offices, etc., likewise may not be used to display Blulife Products, information Blulife Independent Distributor ut Blulife services, or Blulife literature.

Further, Distributors may not use mass communication methods such as television merchandising channels, computer networks, national or international advertising, etc., to secure Blulife customers.

4.3.1 Exception to Blulife Independent Distributors Rule 4.3 (Retail Store) for Beauty salons, health clubs, Doctor Clinic & Ayurveda Centers.

Display and sale of health, beauty and sport nutrition product are permitted in health and beauty establishment under the following conditions:

4.3.1.1 The primary focus of the business is service and retails sale of product is incidental to the service provided (e.g. Beauty salons, health clubs, Doctor's clinic)

4.3.1.2 Only Blulife products directly related to the service provided by an establishment will be allowed. For example, a Beauty establishment could display, use and sell only products related to Skin range of products and related personal care products. A Health establishment i.e. Gym could only display, use and sell Health range of products.”

4.3.1.3 An independent distributor is the majority owner and operator of the establishment or the Blulife Independent Distributor is the Manager/Controller of the establishment and has an authorization in writing from the majority owner/ operator of the establishment for sale and display of Blulife Products.

4.3.1.4 Display of the Blulife products and/or brochures is restricted to inside of the service establishment and should not be visible on the outer display visible to general public.

4.4 Truthful and Accurate:

No Distributor shall make false or exaggerated claims about quality, price, use(s), content, grade, etc. of Blulife products or promote products that do not belong to Blulife as if they did. No Distributor shall make any offer to sell any Blulife product which is not accurate and truthful as to price, grade, quality, performance, and availability. Distributors cannot:

4.4.1 Make exaggerated product claims or non-guaranteed claims with regard to Blulife Products or products distributed by Blulife.

4.4.2 In any way whatsoever, represent incorrectly with regard to prices, quality, standards, grades, contents, style or model, place of origin or availability of Blulife Products or products distributed by Blulife.

4.4.3 State that Blulife Products or products distributed by Blulife back, approve, or present any features as regards yield, accessories, uses or benefits that they do not have.

4.4.4 In any way whatsoever act or present Blulife, its products or the products Blulife distributes in a fraudulent manner or promote products that do not belong to Blulife as if they did or sell Blulife products at a price below the purchase price.

4.5 Repackaging:

No Repacking / Re labeling of Blulife Products. Distributors may not repackage, or otherwise change or alter any of the packaging labels of Blulife Products.

4.6 Written Sales Receipt: A Distributor shall deliver to the customer at the time of sale a written and dated order or receipt which shall:

- (a) Describe the product(s) sold,
- (b) State the price charged,
- (c) Give the name, ID number, address, and telephone number of the selling Distributor,
- (d) Include Blulife's Customer Product Refund Policy, and
- (e) Include Blulife's Complaint Redressal mechanism.

4.7 Customer Product Refunds:

Distributors shall advise Blulife of any customer complaint and provide copies of all correspondence and details of all conversations regarding the complaint.

4.7.1 Distributors are not authorised to make any type of offer or compromise or render Blulife liable for any complaint or product return.

4.7.2 Whenever a customer requests Product Refund service within the stated period, the Distributor shall immediately offer the customer the choice of (a) refund of money paid as per Blulife's current product refund policy, (b) exchange for a like product, or (c) full credit for exchange with another item.

4.7.3 Distributors are required to indemnify Blulife for any claim, legal actions, suit, etc. (including Blulife legal fees) which are filed or which originate because of any failure by the Distributor to observe this rule.

4.8 Compliance with Applicable Laws, Regulations and Codes:

Distributors shall comply with all laws, regulations and codes that apply to the operation of their Blulife business wherever said Blulife Business may be conducted within the Market, and they must not conduct any activity that could jeopardize the reputation of the Distributor and/or Blulife. Applicable laws, regulations and codes vary from one country to the next, and from State to State in India, and over time, and Blulife does not ensure or make representations with respect to the quantity or extent of effort or expense required to comply with such laws, regulations and/or codes.

4.9 Deceptive or Unlawful Trade Practices:

No Distributor shall engage in any deceptive or unlawful trade practice. A deceptive or unlawful trade practice is one, which has been defined as such by any central, state, or local law or regulation.

4.10 Unlawful Business Enterprises or Activities:

Distributor must not engage in any deceptive or unlawful trade practice as defined by any Central, State or local law or regulation. No Distributor may operate any illegal or unlawful business enterprise, engage or participate in any illegal or unlawful business activity or be convicted of any illegal or unlawful activity. An illegal or unlawful enterprise or activity is one which is prohibited by central, state, or local law or regulation. If an initial application for an Blulife Independent Distributorship is presented to Blulife by a person who operates, or is engaging or participating in, any illegal or unlawful enterprise or activity, Blulife may hold such application in abeyance and contact the applicant to determine whether he or she is so engaged and, if so, what his or her intentions are concerning such enterprise or activity. Refusal or failure on the part of the applicant to produce proof that he or she has terminated his or her relationship with such unlawful enterprise or activity shall disqualify him or her for such Distributorship, and his or her application shall be denied. If, subsequent to approval of his initial or reauthorization application, an Blulife Distributor is determined by Blulife to be operating, or engaging or participating in, an illegal or unlawful enterprise or activity, and if, upon notification and request by Blulife, such Distributor refuses or fails to terminate his or her relationship with such illegal or unlawful enterprise or activity then Blulife shall terminate such distributorship where open the distributor shall lose all the rights and privilege of an distributors.

4.11 Professionalism:

An Blulife Independent Distributor shall at all times conduct himself or herself in a courteous and considerate manner and shall not engage in any high-pressure selling, but shall make a fair presentation of Blulife Products including, when and where appropriate, demonstrations of such products. An Blulife Independent Distributor shall never impose himself or herself upon his/her prospective customer and shall abide by the following:

1. He/She shall always take a prior permission or appointment before approaching a prospective customer and shall indicate the purpose of his or her visit and identify himself or herself as an Blulife Independent Distributor.
2. He/she shall provide the following information to the customer at the time of sale
 - His/ Her name, address and telephone number along with that of Blulife.
 - He/ She shall at all times carry identity card provided by Blulife along with any photo ID's issued by any Government agency.
 - He/ She shall fix time & place for inspection of the sample and delivery of goods, if customer so desires.
 - He/ She shall provide customer receipt with the description of the products to be supplied as per Rule 4.6.

If the customer indicates a desire to terminate the interview, the Blulife Independent Distributor shall immediately do so and shall leave the premises of the customer.

The Blulife Independent distributor at all times make a fair presentation of Blulife products. The distributor will also direct his or her customer attentions to the use direction and cautions which may be include on the label for products.

4.12 Employment Relationship:

Blulife Distributors are independent Distributors operating their own businesses and are not employees/agent of Blulife or its affiliates companies

No Distributor shall be representing that he or she has any employment relationship with Blulife or any of its affiliates companies and or other distributors. Distributors shall not give a false representation as to the nature of the relationship between Blulife and its Distributors, or make any representation except in accordance with the explanation given in the Blulife literature. A Distributor is required to indemnify Blulife for the cost of any damage or prejudice stemming from such false representation, including any legal fees Blulife may have incurred. If they permit an employer-employee relationship to develop, Sponsors may find themselves liable for the acts of and injuries to their sponsored Distributors. Blulife cannot permit any relationship between, or representations by, Distributors which may impose employee liability on Blulife.

Blulife Independent distributors are independent distributors operating their own business they shall not imply that they are employee of Blulife not shall they refer to themselves as “agents,” “managers,” or “company representatives”, nor shall they use such terminology or descriptive phrases on their stationery or other printed material. (Sponsors are urged to preserve the independent contractor relationship between themselves and their Distributors.

4.12.1 Independent Contractor Status. You are an Independent contractor. You may not represent yourself as anything other than an independent Distributor. You have no authority to bind to any obligation. Should you be deemed an agent by a competent agency or court in any jurisdiction in which you do business, you shall release us from any claim arising from such determination.

4.12.1.1 As an independent contractor, you are responsible for paying your own self-employment taxes, income taxes, professional taxes, service taxes, sales taxes(vat) on retails sales and other taxes imposed by law upon an independent contractor and you shall indemnify us from any claims arising from your failure to pay such taxes.

4.12.1.2 Your work hours, business expenditure, and business plans are not dictated by us and you shall make no printed or verbal representations that state or imply otherwise.

4.12.1.3 It is your responsibility and you agree to comply with all laws and agreement in the operation of your distributorship or acquisition, receipt, holding selling distributing or advertising of our products or opportunity.

4.12.1.4 You also agree to be fully responsible for all of your verbal and/or written statements made regarding the products, services and the sales and marketing plan which are not expressly contained in official materials of company. You agree to indemnify us against any claims, damages or other expenses, including attorney fees, arising from any representation or action made by you that are outside the scope of agreement. The provisions of this section survive the termination of the agreement.

4.13 Franchises and Territories:

No Distributor shall represent to anyone that there are exclusive franchises or territories available under the Blulife Sales and Marketing Plan.

No Distributor shall represent that he or she, or anyone else has the authority to grant, sell, assign, or transfer such franchises or to assign or designate territories. No Distributor or Sponsor may state or imply that he or she has a given territory, nor that any other Distributor is operating outside his territory. Blulife Independent distributor have no territorial limits they can operate anywhere within in India.

4.14 Non-Blulife Selling Activities:

An Blulife distributor can engage in other business/ professional activity, but he/she must not use Blulife Distributors/ activities/events to promote his non Blulife business/profession and must not hard sell the same on other Blulife Independent distributors.

No Blulife Independent Distributor who personally sells products other than Blulife Products, who personally participates in any non-Blulife selling activity and who sells services (e.g., tax services, insurance, investments, etc) will sell such products or services to another Blulife Independent Distributor or will induce another Blulife Independent Distributor to participate in any other non Blulife selling activity and/ or to sell such products, literature, sales aids, or services to any Blulife Independent Distributor. Induce means to persuade (or attempt to persuade) another Distributor (either personally or through a third party) to sell any product or service whether or not this is done to obtain revenues or for any other reason.

4.14.1- Blulife Distributors may engage in selling activities related to non-Blulife approved or non-Blulife-produced products and services if they personally desire to do so, but they may not take advantage of an activity organized, especially to promote Blulife Products or Blulife, or any other Distributor's efforts or resources, or of their knowledge of, or association with, other Blulife Independent Distributors to promote and expand their non-Blulife businesses. To do so constitutes an unwarranted and unreasonable interference in the business of other Blulife Independent Distributors. This does not mean, however, that a Distributor regularly engaged in the operation of a petrol pump, repair garage, retail establishment, barber or beauty shop, or a professional service (law, medicine, dentistry, or accounting) may not serve clients or customers who are Blulife Independent Distributors and have sought them out but it does not mean that such distributors may not actively solicit the patronage of other Blulife Independent distributor.

4.15 Enticement to Change Lines of Sponsorship:

No Distributor must, directly or indirectly, induce/ entice other Blulife Independent Distributors to change their Line of Sponsorship. E.g. Inducing an Blulife Independent Distributor to start a new business in their parent's name under a different sponsor and then advising them to resign their existing Distributorship and build their parents Blulife business, etc.

Under no circumstances, direct or indirect, nor for purpose of helping another person, shall a Distributor

solicit, interfere or attempt to induce another Distributor to leave his Line of Sponsorship or change his Line of Sponsorship.

4.16 Exporting Blulife Products:

Blulife Independent Distributors must sell Blulife products and/or sponsor prospective Blulife Independent Distributors within India only. No Distributor may export, or knowingly sell to others who exports, Blulife Products from India.

For important legal reasons, including trade names and trademark protections; local laws on product registration, packaging, labeling, ingredient content and formulation, product liability; customs and tax laws; and literature content or language requirements. Blulife must limit the resale of Blulife products by the distributor to only other distributor or retails customer locate within country in which the distributor legitimately buys the Blulife products and his authorizer to do business. The terms of products include without limit "products" includes, without limitation, all literature, sales aids, and any other items obtained by a Distributor from Blulife or from his sponsor.

4.17 Sound Business Practices:

A Blulife Independent Distributor must operate his or her Distributorship in a financially responsible, solvent, and businesslike manner. Blulife Independent Distributor shall not permit a non- Blulife Independent Distributor to build / promote his or her Blulife business.

In signing a Distributor Application, a Distributor undertakes to Blulife that there is no legal bar or limitation on his or her ability to meet the legal obligations of an Blulife Distributor, whether such obligations are to Blulife itself, to customers, or to other Distributors. If there is an obstacle or limitation, the Distributor must declare it.

For example, if an undercharged bankrupt or an underage person applies for a Distributorship, Blulife may reject the application or, if Blulife discovers the disability, alter the Distributorship. If a Distributor or any member partner in his or her Distributorship files a petition in bankruptcy or has bankruptcy or winding-up proceedings commenced against him or her, or has any assets seized by Court order or taken in execution of an unsatisfied judgment debt, the Distributor must immediately inform Blulife. In such cases, Blulife reserves the right to terminate the Distributorship, or alter its terms of trading with the Distributor, or to negotiate with the trustee in bankruptcy or responsible court official concerning arrangements for the disposal of any products belonging to Blulife which are in the possession of the Distributor.

4.18 Manipulation or combination of Blulife Sales and Marketing plan

A. No Blulife Independent Distributor shall manipulate the Blulife Sales and Marketing Plan or manipulate sales volume in any way which results in the payment of bonuses or other awards and recognition that have not been earned in accordance with the terms of the Sales and Marketing Plan and / or the business reference guide. Blulife in its sole discretion will determine what constitutes manipulation.

B. You shall not offer the opportunity through, or in combination with any other compensation plan or placement program, other than as specifically set forth in official materials or in tools of company. You shall not require or encourage other current or prospective distributors to execute any agreement, contract or membership other than those offered by the Company

4.19 Retail effort:

To be entitled to earn a Performance Bonus on your distributor organization's volume, you must generate a minimum amount of volume during the 5 cut off cycle as personal purchases which you can retail to your customer or can consume in your family. If such Blulife Independent Distributor fails to make such purchase during the required cut-off period, he will be denied the applicable Bonuses & Commissions for that cycle period on your distributor organization's volume.

4.20 "Spamming"-Prohibits Distributors from sending messages to persons whom they do not know. Unsolicited e-mail messages: No Distributor shall send, transmit or otherwise communicate any unsolicited e-mail messages to persons with whom the Distributor does not have a pre-existing personal or business relationship. (This includes, but is not limited to, sending e-mails through newsgroups, purchased mailing lists, "safe lists", or other lists of individuals or entities with which the Distributor does not have a relationship).

4.21. Employment Postings: If a Distributor responds to an employment posting for someone seeking an employment opportunity, they shall clearly state within the first paragraph of the response that they are offering a business opportunity. Any materials used with a prospect must be approved by Blulife in accordance with Rule 7 herein.

4.22 Privacy and Confidentiality:

All Distributors are required to abide by Blulife Privacy Policy with regard to Distributor, client and member information, and its Confidentiality Policy with regard to Distributor and business information.

Section 5: Sponsorship Responsibilities

5.1 SPONSOR MUST

- 1. Provide all Distributors he/she sponsors with an unaltered/ application form.**
- 2. Abide by the Code of Ethics and Rules of Conduct in its true spirit.**
- 3. Train and motivate all Distributors he/she has sponsored.**
- 4 Encourage his personally sponsored Distributors to attend Blulife meetings.**
- 5 Advice the Distributor(s) to follow the Blulife Rules.**
- 6. Give advice on promotional activities.**

In order to preserve the status and rights as a Sponsor, a Sponsor must:

5.2

Maintain Good Standing/Conform to Rules:

Be an Blulife Independent Distributor in good standing and meet all Distributor requirements as set forth in these Rules. An Blulife Independent Distributor shall not directly or indirectly indulge himself /herself in any wrongful activity, including but not limited to false complaints, which could have any adverse effect upon the Blulife business of another distributor. In the event a Sponsor ceases to be a qualified Distributor, the rights to any Distributors whom he or she may have sponsored shall pass up to the next qualified Distributor in his or her Line of Sponsorship.

5.3

Train:

Be able to train and motivate the Distributors whom he or she sponsors with a minimum of assistance from his or her sponsor. If he or she is unable to train his or her Distributors properly, he or she must make arrangements with his or her sponsor to have this done, in which case he or she must be willing to share part of his or her normal performance incentive for this service.

5.4

Independent Relationship:

Not represent that there is an employment or agency relationship between himself and the Distributors which he sponsors.

5.5

Attend Blulife Meetings:

Use his best efforts to encourage his personally sponsored Distributors to attend Blulife meetings and other functions.

5.6

Follow the Rules:

Use his best efforts to encourage each of his personally sponsored Distributors to fully comply with the standards set forth in the Rules and to study, use and carefully conduct their businesses in accordance with the law and official Blulife publications.

5.7

Give Advice:

Give advice concerning (advertising and all other) promotional activities carried on by his personally sponsored Distributors to assure that they conform to Blulife-approved procedures and rules.

5.8

Prohibited Registration Practices:

Neither a prospective Distributor, as a condition to becoming a new Distributor, nor any currently authorized Distributor, as a condition of receiving assistance in the development of their business from their sponsor, shall be required to: Purchase hardware or software for computers, subscribe to an Internet Service Provider(ISP), or establish a Website.

Section 6: Preservation of the Line of Sponsorship

6.1

Protection of the Line of Sponsorship:

As used herein, the sale of an ownership interest in a Distributorship, merging Distributorships, or separating or dividing a Distributorship, each inherently involve the assignment of the Distributorship Agreement or an amendment thereof, and, as such, require prior authorization by Blulife. Transfers of Distributors from one Sponsor to another are only granted at the sole discretion of Blulife.

6.2 Want to change your Sponsor:

A. To change your sponsor within 7 calendar days of joining you must submit a Sponsor Change Request to our Customer service department at support@blulife.in. Request form require your signature and the signature of your current sponsor. We may require authentication of

signatures. You can request for a sponsor change provided the distributorship in question has not purchased any products.

However, Blulife reserves the right to accept or reject any request without having to give any explanation whatsoever.

6.3 One Distributorship Rule:

6.3.1 There can be only one distributorship per PAN card.

6.4 Divorce, Separation, or Other Dissolution:

Whenever a business is separated or divided as the result of a divorce, dissolution of a corporation or partnership, the separation or division must be accomplished in such a way as to not adversely affect the interests and/or income of the businesses in the Line of Sponsorship. During the division or separation process, neither party will administer or operate, together or separately, any other Blulife Independent Distributorship without Blulife's approval.

6.5 Disposition of a Distributorship:

If a Distributor terminates/cancels his Distributorship or dies without leaving heirs who are ready, willing, and able to become Distributors and assume the responsibility of Blulife Business, Blulife, at its sole discretion, shall decide the future of the Distributorship in accordance with Section 15 of these Rules.

Section 7: Presentation of the Blulife Sales and Marketing Plan

7.1

Must not Give Impression of Employment Relationship:

When inviting a prospect to hear a presentation of the Blulife Sales and Marketing Plan, an Blulife Independent Distributor shall neither utilize the following invitations nor directly or indirectly induce other Distributors to do so:

7.1.1 Give the impression that it relates to an employment opportunity,

7.1.2 Imply that the invitation is to a social event,

7.1.3 Disguise the invitation as a "market survey,"

7.1.4 Promote the event as a "tax seminar,"

7.1.5 Promote the Blulife Business opportunity as a business relationship with a person, company or organization other than Blulife,

7.1.6 Directly or indirectly indicate that Blulife Products are merely one line of products distributed through or as a part of a brokerage operated by a person, company, or organization other than Blulife,

7.1.7 Directly or indirectly indicate that the Blulife Business, Distributors or Blulife Products are part of any business other than Blulife's business

7.1.8 Deny, if asked, that the presentation is about the Blulife Sales and Marketing Plan, or

7.1.9 Imply that it is other than a business event.

7.2

First Contact with Prospective Customers and Distributors:

At the first contact with prospective customers and Distributors, a Blulife Independent Distributor should:

7.2.1 Introduce himself by name.

7.2.2 As soon as practicable, he should make himself known in suitable fashion as an Blulife Independent Distributor and should provide information concerning his name and address as well as concerning Blulife.

7.2.3 Indicate the purpose of contact, namely the sale of Blulife Products and/or the introduction of the prospect to the Blulife business.

7.3 Sponsoring Guidelines:

Blulife Sales & Marketing Plan must not be presented

- as a get-rich-quick opportunity.
- that Blulife Products are bought and sold for Distributors personal use.
- that there is no requirement to retail Blulife Products.

In seeking participation of a prospect in the Blulife Sales and Marketing Plan, the sponsoring Distributor must comply with the following guidelines:

7.3.1 Must disclose the average profits, earnings, and sales figures and percentages as published from time to time by Blulife.

7.3.2 Must use only Blulife-produced and Blulife authorized literature.

7.3.3 May use those earnings and/or commission representations based on their own personal experiences, provided that they at the same time disclose the average profits, earnings, and sales figures and percentages as published from time to time by Blulife.

7.3.4 May cite lifestyle examples, e.g. travel, automobile, homes of successful Distributors, and contributions to charitable causes, provided such benefits were actually accrued as the result of building a successful Blulife Independent Distributorship.

7.3.5 Must not say that a successful Distributorship can be built in the form of a “wholesale buying club” in which the only products bought and sold are those transferred to “Distributors” at Distributor cost for their personal use.

7.3.6 Must not say that there is no requirement for the retail sale or marketing of products.

7.3.7 Must not promote the enjoyment of tax benefits as the best or principal reason for becoming an Blulife Independent Distributor.

7.3.8 Must not say that Blulife is a “get-rich-quick” opportunity in which it is easy to achieve success with little or no expenditure of effort or time.

7.3.9 Must not present the Distributor plan or solicit participation in the Distributor Plan through any broadcast communication methods including mass mailing, telemarketing, national or international advertising, radio, television, facsimile services, computer communication networks including the Internet or any other means by which personal contact with the prospect is not present. However, Distributors may use digital media or maintain an Internet Website for use

with prospects, provided the contents of such media or Website meets the requirements set within the Distributor Guidelines (attached), and otherwise complies with the Rules of Conduct.

7.4 No Exclusive Territories:

No Distributor shall represent that there are exclusive territories available under the Blulife Sales and Marketing Plan.

7.5 No Obligation to Purchase:

No Distributor shall represent that there is any obligation to purchase products and/or services under the Blulife Sales & Marketing Plan, nor shall he/she represent, purposely allow or gain from any representation or implication that benefits may be derived solely from the purchase of Blulife products or services in conformity with the Blulife Sale and Marketing Plan

SECTION 8:- .BONUSES & TAXES

8.1 - BONUSES

8.1.1 Bonus Qualifications: - As an Independent Distributor, you are entitled to receive Bonuses from us pursuant to the currently published Blulife Sales & Marketing Plan if you are in good standing and in compliance with the terms of the Agreement.

8.1.2 No Earning Guarantee: Distributor is neither guaranteed a specific income nor assured any level of profit or success. Profit and success can come only through the successful retail sale, use, and consumption of our Products and the retail sales, use, and consumption of our Products by other independent Distributors in one's downline group.

8.1.3 Payment: Blulife will pay Bonuses within four days following the close of the 6-day commission cycle. The Royalties would be paid on a calendar month basis within the 5th of every month. For business accounts, Blulife will pay to the business listed on the account; otherwise pay to the primary account holder. Without prejudice to the right of termination, Blulife may suspend or revoke payment if the distributor is in breach of any term or condition of the Agreement. Distributor will be liable for the payment of service tax and the commission paid will be inclusive of the service taxes as application by the law.

8.1.4 Bonus Buying Prohibited: Bonus buying is strictly and absolutely prohibited. Bonus buying includes:

- (1) enrollment of individuals or entities without the knowledge of and/or execution of a Distributor Application by such individuals or entities;
- (2) fraudulent enrollment of an individual or entity as a Distributor or Customer;

(3) enrollment or attempted enrollment of non-existent individuals or entities as Distributors or Customers (“phantoms”).

(4) purchasing Products on behalf of another Distributor or Customer, unless authorized herein, or through another Blulife Independent Distributor’s or Customer’s ID number, to qualify for Bonuses.

(5) purchasing excessive amounts of goods or services that cannot reasonably be used or resold in a month.

(6) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, or Bonuses that is not driven by bona fide Product purchases by end user consumers.

Buying Rank Prohibited. Purchasing Product for the purpose of earning Bonuses or achieving rank is prohibited. Blulife retains the right to limit the amount of purchases a Distributor may make if there is reason to believe that those purchases are being made solely for rank and other qualification purposes instead of for resale or business building. Blulife may revoke a rank advancement if it was earned in violation of this policy.

8.1.5 Adjustments to Bonuses: When a Product is returned for a refund, the Bonuses attributable to the returned Product(s) will be deducted from the commission period in which the refund is given, and continuing every pay period thereafter until the Bonus is recovered from the Distributors who received Bonuses on the sales of the refunded Products.

8.1.6 Errors or Questions. If there are questions about or believe that any errors have been made regarding Bonuses, Generations, or charges, it should be notified in writing **within 30 days** of the date of the purported error or incident in question. Blulife will not be responsible for any errors, omissions, or problems not reported to the Company **after 30 days.**

8.2 TAXES

8.2.1 : Many state and local governments levy sales taxes, VAT, Octroi and other fees on the sale of the Company’s products. In some jurisdictions, certain products may be exempted from taxes or Octroi. The Company’s tax policy addresses the complexity in dealing with the applicable taxes and Octroi. All VAT concerning to the point of sale will be borne by the Company. Octroi which is levied extra must be borne by the Distributor wherever applicable.

8.2.2 : Sales Tax Identification Numbers: - Distributors who have had prior business experience or who have attained a high level of Retail sales may require Tax Identification Number or sales tax registration for which they have to approach the necessary local authorities. Any violation in not complying with the law and non-payment of sales taxes which may affect the reputation of Blulife will lead to termination of the Distributorship.

8.2.3 : Service tax if applicable on the commissions and bonuses earned must be paid by Distributor by registering with the relevant government authorities without fail.

Section 9: Terms and Conditions of Sale of Products

Supply of goods by Blulife under an Invoice shall be subject to the terms and conditions of sale herein contained.

9.1 : The quantity, quality, date of manufacture etc. as contained on the packing shall be presumed to be correct.

9.2 : Blulife's legal title of the goods shall cease as soon as the goods are handed over to the Buyer/or to the Carriers as the case may be.

9.3 : Buyer is requested to verify quality/ and quantity of the goods before accepting delivery. No claim regarding quality/quantity of the goods will be entertained once goods are handed over to the Buyer/Carriers as the case may be unless promptly notified in the Delivery Challan.

9.4 : 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 to the Buyer shall be reimbursed by the Buyer to Blulife.

9.5 : Refund of VAT/ Sales Tax/ Statutory Levies already collected will be allowed only on rejected goods received as per Blulife's returns policy as laid down in the Blulife code of conduct and as updated from time to time.

9.6 : In case of failure to take delivery of goods, Buyer shall be solely liable for all storage, demurrage costs and other expenses. Blulife shall be entitled to treat such failures as a breach of contract in addition and without prejudice to Blulife's other rights and remedies.

9.7 : Blulife is not liable for delays or non-delivery of goods by the Carrier due to Force Majeure conditions in course of transit/delivery or any loss arising there from.

9.8 : Each lot/installment of goods delivered under an invoice shall deemed to be sold under a separate contract.

9.9 : All Bank charges (including collection charges), shall be payable by the Buyer. Blulife shall not be liable for any loss/theft of bank drafts/cheques etc. in transit.

9.10 : Any notice to be served on the Buyer by Blulife shall be deemed to be validly served if sent by ordinary prepaid post to the buyer's address as mentioned on the invoice.

9.11 : All sale contracts and transactions of Blulife marketing Pvt. Ltd. are subject to exclusive jurisdiction of the Courts at Bangalore.

9.12 : Ordering Blulife Independent Distributors who place orders for other Blulife Independent Distributors are responsible for the orders placed by them. Ordering Blulife Independent Distributors need to be prudent so as to safeguard their business interest.

9.13 : Up-line should encourage the downlines to place their orders independently. You may not facilitate any purchase using a credit card or payment method other than your own unless we have on file an official authorization letter prior to transaction from the original holder of credit card. Blulife is not liable for any misuse of credit card by any distributor.

9.14 : Blulife Product Refund Policy

The superior value and high quality of Blulife products and services have earned us the trust of our BLULIFE INDEPENDENT Distributors and their customers. This trust is a precious and unique relationship. Everyone must share in the Blulife commitment to excellence. Everyone has a responsibility to ensure the superior value and high quality of Blulife products and services – quality and value that we guarantee!

9.14.1 : Blulife's Customer Product Refund Policy

We stand behind the quality of Blulife products. All Blulife Products are covered by Blulife's Customer Product Refund Policy. If the Customer is not completely satisfied, he/she is entitled to return the products within 30 days from the date of delivery for a full refund. The refund policy is applicable only for products in marketable condition, and partially used products (30%) accompanied with an invoice. This policy does not apply to products that have been intentionally damaged or misused. It is incumbent upon Blulife Independent Distributor to follow the Customer Product Refund Policy in letter and spirit.

9.14,2: Blulife Returns Policy for Blulife Independent Distributor

Blulife Independent Distributor may return the products within 30 days of purchase.

Reference Notes:

- The Blulife Independent Distributor must return the product(s) to Blulife office.
- Period of return for products is calculated as the number of days from the Invoice Date, to the date of receipt at the Blulife Office.
- Condition refers to the condition in which the stock is received back from the Blulife Independent Distributor as a return.

The product can be 'marketable' or 'unmarketable' depending on the condition of the returned stocks assessed by the Returns executive at the Blulife office.

- Total BV of the returned products will be deducted from the returning Blulife Independent Distributor's account.
- If unsold products return is greater than or equal than 6 in number on a single invoice, 10% handling charges will be deducted.
- The Product Return Policy does not apply to open packs of literature and videos or other sales aids.
- Total returns cannot exceed the quantity appearing on the Invoice.
- If products are returned by customers directly to Blulife, BV adjustment shall be done from the Blulife Independent Distributor's account & any excess amount paid shall be recoverable from Blulife Independent Distributor

Section 10: Use of the Blulife Trade Name, Trademarks, and Copyrighted Materials

Introduction

The Blulife trade name, trademarks, and service marks are important and valuable business assets. They help identify the source and reputation of the Blulife business, products, and services worldwide, and distinguish them from those of competitors. Trademarks must be protected from misuse and infringement by others, or they can be lost. Each time a trademark or symbol is used improperly or is used by someone other than its owner, the value and importance of the trademark can be greatly diminished. Once a trademark is weakened or lost, it is impossible to regain its full value and importance. Therefore, Blulife makes every effort to protect its house trademark Blulife, its corporate logotype, label designs, and various product names so that others cannot use them.

Blulife will not allow use of its trade name (company name), trademarks (product names), designs, or symbols by any person, including an Blulife Independent Distributor, without its prior permission. Blulife will issue cease-and-desist orders to any persons using its trade name, trademarks, designs, and symbols without its permission and will, if necessary, follow with appropriate court action for failure to comply with a cease-and-desist order. If Blulife did not do this, Distributors would soon find the market flooded with "Blulife" products not produced by Blulife or sold by Blulife Independent Distributors. Obviously, Blulife Independent Distributors

would be harmed greatly by such competition. The rules set forth below have been developed to maintain the integrity of the Blulife trade name and trademark and to ensure that the name Blulife will be available exclusively for the Blulife Business. In addition, Blulife has implemented a corporate identity program that requires the correct and consistent use of the Blulife corporate logotype, no matter where it appears. Therefore, no alterations to the approved logotype are allowed. Upon request, Blulife will provide an example of the approved logotype and colour specifications.

10.1 Office Sign:

If Blulife Independent Distributor desires to operate and maintain an office in which the Blulife name is displayed to the public on the exterior of the office or in the interior in such a way that it can be seen from the outside, the Distributor must first obtain prior written approval from Blulife for such use of the Blulife name by a written request to Blulife, including a description of the proposed signs, their size, location of installation, and method of installation.

10.1.1 A Distributor who operates an office shall not service any retail customers from the office since to do so would convert the office into a store. If prospective retail customers come into the office, they are to be informed that the office is for wholesale only and an appointment made to call on them later at their homes.

10.1.2 Blulife reserves the right at all times to withdraw permission to display the Blulife name if the standards stated are not met, if proper standards of neatness, good taste, or ethical operation are not met, or for any reason prejudicial to the interests of Blulife Independent Distributors or Blulife, of which Blulife shall be the sole judge.

If a Distributor wishes to display Blulife logo to public, he/she must obtain prior written approval from Blulife. However, Blulife can withdraw the permission if standards are not met.

10.2 Fund-Raising Events:

Blulife Products and services are not authorized to be used in conjunction with any type of fund-raising activity. Fund-raising includes the solicitation for the purchase of Blulife Products or services based on the representation that all or a portion of gains, proceeds, or profits generated by such sale will benefit a particular group, organization, or cause.

10.3 Promotional Literature, Stationery, Premiums, etc.:

No Blulife Distributor may produce or procure from any source other than Blulife any premium, give away item stationery, or promotional literature of any kind upon which the Blulife name or logotype or any of its tradenames or trademarks are imprinted without securing prior, written approval from Blulife.

10.3.1 No Distributor may print, or cause to be printed, for his use any stationery which bears the Blulife logotype or any of the Blulife trade names or trademarks without the prior, written consent of Blulife. The precise copy to be used must be forwarded to Blulife before the printing is actually done. When approval is given by Blulife, there shall be no deviation whatever from the approved copy.

10.3.2 No cloth Blulife corporate logotypes shall be affixed to any sports uniforms, shirts, or other garments.

No Distributor shall, without Blulife's prior approval, produce any item bearing the Blulife name/logo type from any source other than Blulife.

10.4 Copyrighted Materials:

All Blulife printed material is copyrighted and may not be reproduced in whole or in part by Distributors or other persons except by prior written permission from Blulife.

10.4.1 Blulife makes a claim to copyright for all its printed material in the market. This is done to prevent others, particularly competitors, from copying and duplicating Blulife literature which has been developed and printed at great expense and to assure Blulife Independent Distributors that the promotional materials which they purchase and distribute to their customers is unique, attractive, and truthful. As in the case of trademarks and trade names, if Blulife did not exercise every effort to protect its copyrighted materials, Distributors might soon find the market flooded with “Blulife” literature which was not produced by Blulife and did not relate to products made and sold by Blulife. Accordingly, no person, whether an Blulife Independent Distributor or otherwise, may reproduce any of Blulife’s printed material, in whole or in part, without specific written permission from Blulife. This includes text material, pictures, cartoons, diagrams, charts, maps, designs, and other printed materials.

10.4.2 All Blulife printed material relating to products has been carefully prepared to conform with all local, state, and central laws and regulations governing the labelling of products. (The word “labelling” covers not only the label on the product itself, but also any literature used to promote the sale of such product.). Even a slight deviation from the language on the label or promotional material may constitute a violation of one or more of the laws or regulations covering the product and its labelling and thus subject the person making such deviations to penalties imposed by law. Unfortunately, such governmental action not only can adversely affect the particular offender, but also his or her fellow Distributors as well as Blulife itself.

10.5 Penalties for Violators of Section 9: Any Independent Distributor who violates Section 10 can:

10.5.1 Be required to remove improper signs, destroy improper literature, cancel improper advertising.

10.5.2 Be denied the right to make any future use of the Blulife trademark or trade name.

10.5.3 Have his Distributorship terminated by Blulife.

10.5.4 Be liable for money damages to Blulife for unauthorized use of the Blulife name, trademark, or logotype.

Section 11: Death and Inheritance

11.1. In the case of the death of a single Distributor:

11.1.1. If Blulife is not notified of the appointment of an administrator in accordance with the provisions of Section 11.1.2, Blulife can appoint a representative, under the terms and conditions Blulife considers appropriate to manage the Blulife Distributorship, or assign the Blulife Distributorship in accordance with Section 11.1.2 or Blulife can cancel it in accordance with Section 15. Without limitations as to Blulife’s proceedings with regard to the terms and conditions of the representative appointed to manage the Distributorship, such representatives can, based on Blulife’s specifications, receive all or part of the Commissions and privileges earned by the Distributorship he represents, for the period during which he manages it.

11.1.2. The administrator of the deceased Distributor’s estate shall, with letters of administration or other proper authority, and as soon as possible following the death of the Distributor(s), do the following:

a. Sell the Blulife Distributorship in accordance with Section 6 of these rules;

b. If he is or becomes a Distributor, take charge of the deceased Distributor’s Blulife Distributorship, or;

c. Appoint a representative for a period of time, under the terms and conditions specified or approved by Blulife, who will operate the Blulife Distributorship, with the understanding that said representative is or become a Distributor before he starts to operate the Distributorship. In

accordance with imitations or the rules imposed by Blulife, the representative can, as stipulated by Blulife, receive all or part of the incentives and privileges earned by the Distributorship he represents for the period during which he manages it.

Section 12: Rules and Regulations for Internet Usage

12.1 Website Rules and Guidelines

With just a click of the button, people have realized the unlimited potential to conduct a business and communicate through the Internet. In general, there are three types of Website you, as an Blulife Independent Distributor, can create:

- **Personal Home Page (PHP)** - You may share your personal story or information about your business, hobbies, or interests with friends and personal group. You may decide to include your name and state, achievement level, a personal statement regarding the business, a photograph or an audio greeting.
- **Prospecting Website** - You may develop a Website that is designed to interest potential Distributors in the business opportunity. Here you could include information regarding the benefits of participation in the business, your personal story regarding the business, general “how-to’ s” or e-mail addresses to facilitate communication.

Internet Websites, used with prospects, or sites that contain a presentation, explanation, or illustration of the sales plan or product information to be reviewed by Blulife prior to use.

12.2 Social Media Policy

Definition of Social Media

Social Media is an umbrella term that describes websites and online tools that people use to connect and interact online with other people and share content, profiles, experiences, opinions and media. These tools include blogs, message boards, podcasts, video and photo sharing sites, micro blogs, online communities and wikis.

This Policy does not change the current rules or principles but is intended to help Blulife Independent Distributor’s apply them to social media interactions. Blulife Independent Distributor’s desiring to use Social Media for their Blulife Business should review all Rules of conduct and adhere to the same.

Appropriate Conduct

1. Create an individual Social media profile. Enhance the profile by adding personal information and posting pictures. Connect with family, friends and acquaintances. Remember to maintain privacy settings to friends or friend of friends.
2. Use Social Media to communicate with those distributors and team leaders as appropriate. Maintain appropriate privacy settings.
3. Make new friends online.
4. Be transparent, authentic and honest. Be truthful and accurate at all times. Self-disclose your affiliation with Blulife if you intend to discuss the business on your page.
5. Share positive experiences about Blulife products and the Blulife business.
6. Treat people with respect and courtesy as you would have them to treat you.

7. Offer participation, support and feedback. The conversation should take place much like it would in person. When approaching others or entering the conversation, interact positively, be relevant and credible.
8. Connect with Blulife online, join official sites and share posts, videos and photos posted by Blulife with your teams, customers and prospects.
9. Use commonsense. Remember what you say reflects upon your and Blulife's reputation
10. Refer questions or other users with questions to Blulife.
11. Do abide by the Rules of Conduct for Blulife Distributors. Only some of the applicable rules are identified here. If in doubt, don't do it. Check with Blulife.

PROHIBITED CONDUCT

1. Do not create pages, websites, accounts or other online avenues to sell products
2. Do not prospect or 'cold' contact in regards to sponsorship. The same rules that apply to online prospecting apply to your efforts in establishing customers online. If someone contacts, you online and expresses a desire to buy product or learn more about the business, contact them privately through chats, messages or email
3. Do not offer discounts or special promotions not offered by Blulife.
4. Do not spam or broadcast using social media
5. Do not create fake Blulife or product brand identities.

When it comes to naming your page, you are not allowed to use Blulife trademarks or trade names. We suggest you use your full name. People who search for you online are more likely to remember and use your name than some clever name for your site (Section 10).

6. Do not use Blulife logos, Blulife Product logos, brand images, photographs and copyrighted text including product literature or Blulife BSM's without prior permission from Blulife or misrepresent Blulife in any way (Section 10).
7. Do not make claims about Blulife products that are false, misleading or incorrect
8. Do not upload photographs / videos / content related to Blulife Business, events or products that are not authorized by Blulife, false, misleading or incorrect (Section 10).
9. If in doubt Ask. The Blulife Code Compliance team is always available to provide advice and guidance.

*** Distributor conduct and activities while using the Social media for their Blulife Business is governed by the Rules of Conduct, which are subject to change from time to time. Violation of the Rules and/or this policy may invite action against your Blulife distributorship.**

Section 13: Enforcement of the Blulife Rules of Conduct

Introduction

Violation of the Blulife Rules of Conduct is an extremely serious matter, not only because of the effect it may have on the business of an individual Distributorship, but also the result this conduct may have on the opinions of the Blulife business held by the public, the media and government officials. Accordingly, while Blulife will make every effort to correct any violation through guidance and counseling, further action may be required in more serious cases including, but not limited to the following, which may be applied by Blulife in any order or in any combination:

- a. Suspension period for the offending Distributorship;
- b. De-sponsoring the offending Distributor of his Business Group;

c. Termination of the offending Distributorship. In instances of violation of the Blulife Rules of Conduct any Distributor may make a complaint to Blulife in accordance with the Complaint Procedure set out in Section 14.1 below. Decisions taken by Blulife in its enforcement of the Blulife Rules of Conduct may be appealed for further review at Blulife Head office in accordance with the Review Panel Procedure set out in Section 15.

13.1 Complaint Procedure:

When a Distributor has discovered that there may have been a violation of the Rules of Conduct, he must notify Blulife and his sponsor of the violation and all facts and documentary or other evidence connected with it.

13.1.1 Notification to Alleged Violator: On receiving this notice, Blulife will notify the appropriate Distributors of the complaint and request an immediate response.

13.1.2 Insufficient Information: If the complaint and response do not contain sufficient facts upon which to make a decision, additional information may be requested from any party by Blulife.

13.1.3 Informal Resolution: After Blulife receives all information of facts and circumstances relevant to the complaint, Blulife will decide whether there has been a violation of the Rules of Conduct and will then discuss the matter with the Distributors involved to explain the rationale behind the rule and to obtain adequate assurance from the Distributors that it will not recur.

13.1.4 Formal Resolution: If Blulife is unable to settle the matter informally and if the appropriate corrective action is deemed by Blulife to be other than termination or De-sponsorship, then Blulife will forward a decision letter to the violating Distributor, as well as the sponsor and the Blue Diamond Member in the Line of Sponsorship of the violating Distributor. The decision letter will list the specific complaint(s), outline the corrective action to be taken and, if appropriate, setting a time limit for compliance.

13.1.5 Failure to Comply: Blulife will allow the Distributor to implement the appropriate corrective action within the time limit specified in the decision letter. However, if compliance has not occurred on expiration of the time limit, Blulife will take further enforcement action directly. Notice of such action shall be given by letter addressed to the violating Distributor, with a copy sent to the violator's sponsor and to the complaining Distributor. Such letter shall be sent by Registered Mail.

Section 14: Termination and De-sponsorship

Blulife can terminate/de-sponsor the Distributorship of an Independent Distributor if he/she

- Gives wrong information in the application form.
- Misrepresents Blulife/Blulife Business.
- Breaches any of the Rules of Conduct.
- Is convicted of an offence punishable by a prison term
- Is declared bankrupt.
- Is not mentally sound to handle the business.

14.1 Blulife may, at its election and by notice in writing to a Distributor, terminate the authorization to operate as an Independent Distributor, or de-sponsor the Distributor from his Business Group, if one or more of the following occurs:

14.1.1 If, in Blulife's opinion, the Distributor provided false information in his Distributor Application.

14.1.2 If the Distributor makes a serious misrepresentation of Blulife or the Blulife business which, in Blulife's opinion, is not likely to be satisfactorily remedied by corrective actions;

14.1.3 If the Distributor breaches any of these Rules of Conduct and fails to rectify such breach within the time period specified by Blulife in its written notice to the Distributor;

- 14.1.4 If the Distributor commits repeated breaches of any of these Rules of Conduct;
- 14.1.5 If the Distributor (or, if the business comprises two or more individuals, any of those persons) is convicted of an offence punishable by a prison term;
- 14.1.6 If the Distributor (or, if the business comprises two or more individuals, any of those persons) is suspended or disbarred from practicing his usual trade or profession by any association, institute or professional society;
- 14.1.7 If the Distributor becomes the subject of bankruptcy or winding-up proceedings;
- 14.1.8 In the event that a Distributor dies without either an executor or an heir appointed by the executor who wishes to assume responsibility for continuing the deceased's business;
- 14.1.9 In the event that a Distributor is incapable of managing his affairs by reason of mental condition.
- 14.1.10 If the Distributor commits a breach of terms and conditions of availing of any value added service including any payment thereof and/ or fails to make payment of any products /services provided by Blulife.

14.2

The decision of Blulife regarding termination or de-sponsoring of a Distributor shall be final and binding on the Distributor subject to appeal to a Review Panel pursuant to the procedure set out in Section 15.

14.3 Termination of a distributor means termination of

- All rights as an Blulife Independent Distributor.
- All income being generated after the date of termination.

Termination of the Distributor's authorization to operate as an Blulife Distributor means the termination of all rights derived from said authorization, and in conjunction therewith, the right to receive any further income from or generated by such business arising or accruing after the date of termination, except the right to receive reimbursements of the discounts corresponding to the purchases which were made prior to the termination date. Termination shall be effective upon the date specified by Blulife in its written notice to the Distributor.

14.4 De-sponsorship means removal of a Distributor from his position as a Sponsor in the Line of Sponsorship

De-sponsorship or "de-sponsored from one's Business Group" means the removal of a Distributor from his position as a Sponsor in the Line of Sponsorship (including, at the absolute discretion of Blulife, the removal of the Distributor's right to ever sponsor again in his current Line of Sponsorship or any other Line of Sponsorship), such removal being effected by written notice from Blulife to the relevant distributor and becoming effective on the date stated in such notice.

14.5 The Process of Termination or De-sponsorship:

The Distributor, whose authorization is to be cancelled or who is to be de-sponsored, shall be given written notice of Blulife's decision by Registered Mail. In addition to complying with the laws of India pertaining to such termination or De-sponsorship, the notice of termination, cancellation, or De-sponsorship shall:

- 14.5.1 Be mailed to the last mailing address of such parties as shown in Blulife's records;
- 14.5.2 If applicable, state the Rule(s) violated by the Distributor;
- 14.5.3 State the date on which any such action shall become effective, and

14.5.4 If applicable, advise the Distributor of his opportunity to appeal Blulife's decision to a Review Panel pursuant to the procedure set out in Section 18.

14.6 Upon termination of his or her authorization as an Blulife Independent Distributor for any cause whatsoever, the Distributor shall forthwith:

14.6.1 Return, in good condition, all Blulife Products and Blulife distributed products in his possession as specified in the "Buy-Back" policy.

14.6.2 Cease to use all trademarks, trade names, insignia, or other industrial property used in or related to the Blulife business, and

14.6.3 Cease to identify himself as an Blulife Independent Distributor.

14.7 In the event that Blulife terminates a Distributor's business or that a Distributor is de-sponsored of his Business Group by Blulife pursuant to these Rules of Conduct, the Distributor will have no claim against Blulife arising out of or in respect of the termination or De-sponsorship.

Section 15: Suspension of a Distributorship

15.1 In an effort to eliminate misrepresentations of the Blulife Sales and Marketing Plan within a Line of Sponsorship, or as an alternative to terminating the business of a Independent Distributor who has violated the Rules of Conduct, Blulife may employ various actions and procedures to encourage proper Blulife business conduct. Blulife may use any or all of the following to address the matter:

15.1.1 Hold / forfeit payment of commissions, higher award monies, or other monies payable to the business.

15.1.2 Suspend authorization to conduct sponsoring activity (sponsoring, recruiting meetings, training sessions, home presentations, etc.),

15.1.3 Suspend invitations to company-sponsored trips,

15.1.4 Conduct reorientation meetings and chargeback the expenses to the Line of Sponsorship,

Section 16: Termination, De-sponsorship or Suspension by Blulife without Formal Complaint

16.1 Blulife may initiate termination, De-sponsorship, or suspension of a Distributor's business even in the absence of a formal complaint. Blulife shall not, however, take action against the Distributor until Blulife has first offered the violating Distributor an opportunity to explain and/or justify his conduct.

16.2 Where the violation has been of such magnitude as to bring into serious question the right of such Distributor to continue to operate his business, Blulife may terminate without affording the Distributor the opportunity to rectify his past improper conduct.

16.3 The Distributor shall have the right to request a review of the decision by Blulife in accordance with Section 17

Section 17: Disposition of Terminated, De-sponsored Businesses

17.1 Process:

In the event that Blulife determines that it is necessary to terminate, de-sponsor a Distributor's business, or if a Distributor cancels his Distributor Agreement or dies without leaving heirs who will assume the operation of the Distributorship, disposition of the business of such Distributorship will be determined by Blulife in its sole discretion. In exercising its prerogative to determine the disposition of such business, Blulife may elect to employ one of the following methods:

17.2 No Limitation on Blulife:

Blulife, however, is in no way limited to any of the Blulife Independent Distributor's positive methods of disposition of a business and may exercise complete discretion as to methods and/or timing of disposition.

Section 18: Review by Blulife Marketing Pvt Ltd**18.1 Dispute Resolution:**

Any dispute, differences or claim arising out of or in connection with the Distributor Agreement shall be submitted to binding arbitration and shall be referred to the sole Arbitrator appointed in accordance with the rules and regulation of International Center for Alternate Dispute Resolution as a fast track arbitration. The venue of such arbitration shall be at Bangalore and the award of the Arbitrator shall be final and binding on all parties.