

Aushadhi Viraat Ayurveda Franchisee Rules of Conduct

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1. INTRODUCTION

The Aushadhi Viraat Ayurveda Franchise Rules of Conduct ("Rules") form an important part of the FTC (Franchise Terms & Conditions) agreement between Aushadhi Viraat Ayurveda Pvt. Ltd and the franchisee. The Rules have been developed in accordance to the Guidelines of various direct selling associations and statutory bodies and have been implemented following notice to Franchises and review of their comments.

Franchisee agrees for Terms and Conditions for supply of the merchandize in the assigned area. As Franchise operate as important supply chain medium, hence play important role in sales, training and supplying' Aushadhi Viraat Ayurveda Merchandizes to Downline Franchise or ASSOCIATES of Aushadhi Viraat Ayurveda business. Among other things, the Rules are designed to ensure that all Franchise have the support that they need to continue to develop their business with Aushadhi Viraat Ayurveda.

Under the FTC agreement, Franchise received substantial benefits, including: the right to purchase products through Aushadhi Viraat Ayurveda at Franchise Purchase (FP) rate for resale; the right to supply / sell products in the offered area through its personalizing webpage at Use of Aushadhi Viraat Ayurveda intellectual property in accordance with the rules; and a Variety of support for Franchise and their Customers. As part of its commitment to support the opportunity made available to Franchise. Aushadhi Viraat Ayurveda invests substantial resources in goodwill, in the Tree of sponsorship ("TOS"); Business Sales Tool (BST) to provide ASSOCIATES with a competitive advantage. All Franchise and Aushadhi Viraat Ayurveda share a competitive business interest in maintaining and protecting these assets and interests. The Rules provide important safeguards for Franchise and Aushadhi Viraat Ayurveda in this regard, as well as contractual rights and obligations.

2. Definitions

- a) Franchisee have a right to sell a company's products in a particular area using the company's name, receive certain income/privilege and support in promotion of the product and sales as described in the Business Plan Guide, Franchisee as Aushadhi Viraat Ayurveda zone/state will be allowed to supply Company products to Aushadhi Viraat Ayurveda circle in the area assigned to him; Aushadhi Viraat Ayurveda Circle will be allowed to supply company product to maximum of 15 Aushadhi Viraat Ayurveda Points in the area assigned to him; Aushadhi Viraat Ayurveda point as a Franchisee will be allowed to supply company product in the area assigned to him; each Aushadhi Viraat Ayurveda Point shall be assigned to allocated pin code(s)/ areas; To streamline the distribution in remote and rural areas. Aushadhi Viraat Ayurveda has created a distribution point which will require no upfront investment, however this distribution point will have privilege of generating bills and allocating the PV (Point Value All products are assigned a number called PV which is mentioned in Aushadhi Viraat Ayurveda Price List) to our ASSOCIATES and prospects, will be called as Aarogyam point; Aarogyam point will operate on zero margins, since the premise of the Aarogyam point is to create new business at no upfront franchisee investment. The Aarogyam point will be given priority to be converted into Aushadhi Viraat Ayurveda point or Aushadhi Viraat Ayurveda Circle, subject to the compliance of policy of Aushadhi Viraat Ayurveda Aushadhi Viraat Ayurveda and availability of the in the example, Franchisee as Aushadhi Viraat Ayurveda zone/ state Aushadhi Viraat Ayurveda Circle and Aushadhi Viraat Ayurveda Point will be allowed to sell company' product to its assigned area; Aushadhi Viraat Ayurveda Point and Aushadhi Viraat Ayurveda Circle can sell the product to any Aarogyam point OF ASSOCIATE or prospectus.

- b) Area means the area allocated under FTC agreement where Franchisee will distribute or sell Aushadhi Viraat Ayurveda merchandise.
- c) Copyrighted Works means works protectable by copyrights that are owned by, created by or licensed to Aushadhi Viraat Ayurveda.
- d) Customer means a non-ASSOCIATE who is an end user of products and services offered through or by Aushadhi Viraat Ayurveda.
- e) Downline Franchisee for Aushadhi Viraat Ayurveda state means Aushadhi Viraat Ayurveda zone within its area and for Aushadhi Viraat Ayurveda zone means Aushadhi Viraat Ayurveda circle within its area, Aushadhi Viraat Ayurveda Circle means Aushadhi Viraat Ayurveda Point within its area (district).
- f) Franchisee Purchase (FP) rate means rate at which Franchisee purchases products from Aushadhi Viraat Ayurveda at sale price plus GST.
- g) Independent Business (IB) means Aushadhi Viraat Ayurveda independent business operated by an ASSOCIATE(s) pursuant to the execution of the ASSOCIATE Contract between the ASSOCIATE & AUSHADHI VIRAAAT AYURVEDA.
- h) ASSOCIATE means an individual(s) or and Entity operating an IB pursuant to the ASSOCIATE Contract.
- i) Tree of Sponsorship (TOS) means the structural arrangement of ASSOCIATES established by the contractual relationship that each ASSOCIATE has with Aushadhi Viraat Ayurveda.
- j) TOS Information includes all information that discloses or relates to all or part of the Tree of Sponsorship, including but not limited to Franchisee address or other Details, ASSOCIATE numbers and other ASSOCIATE business identification data, ASSOCIATE personal contact information, ASSOCIATE business performance Information, and all information generated or derived therefrom, in its past, present or future forms.
- k) Marks means the trademarks, service marks, trade dress and trade names adopted or used by Aushadhi Viraat Ayurveda and/or otherwise the subject of pending or existing trademark rights owned by or licensed to Aushadhi Viraat Ayurveda, regardless of whether the trademarks, service marks, trade dress or trade names are the subject of trademark applications or registrations.
- l) Minimum stock means that the Franchisee must maintain minimum product stock as reflected on the Franchisee's account on Aushadhi Viraat Ayurveda's website/online portal, for meeting the demand of the Franchisee area.
- m) Prospect means a prospective ASSOCIATE.
- n) C&F means the States and Union Territories of India operating under the Plan.
- o) Aushadhi Viraat Ayurveda state means the Franchisee appointed to distribute products in the area of a state.

- p) Aushadhi Viraat Ayurveda zone means the Franchisee appointed to distribute products in the area of a Zone.
 - q) Aushadhi Viraat Ayurveda Circle means the Franchisee appointed to distribute products in the area of a District.
 - r) Aushadhi Viraat Ayurveda Point means the Franchisee appointed to distribute products in the area of a Pin code.
 - s) Aarogyam Point means the Franchisee appointed to resell the products anywhere.
 - t) Upline Franchisee for Aushadhi Viraat Ayurveda Circle means Aushadhi Viraat Ayurveda zone/ state in its respective zone/state and for Aushadhi Viraat Ayurveda Point means Aushadhi Viraat Ayurveda circle in its respective District.
 - u) Use means: (a) with reference to Marks, directly or indirectly placing, affixing or displaying one or more Marks on or in connection with goods or services, in a manner that tends to create the impression of an affiliation, connection, or association between Aushadhi Viraat Ayurveda and the Franchisee or Approved Provider; and (b) with reference to Copyrighted Works, to reproduce, distribute and/or display copies of the Copyrighted Works, in whole or in part, including by means of digital audio transmissions, and to create any derivative works.
- i. Becoming a Franchisee**
- a) Franchisee Terms & Condition (FTC) Agreement: To become an authorized Franchisee capable of merchandising products and services offered through or by Aushadhi Viraat Ayurveda and supplying and/or selling company products and services in the assigned area, Franchisee must have all statutory approvals, complete and sign the FTC agreement, and purchase the products to the tune as mentioned in the agreement; the Franchisee can conduct his business activities through the web page assigned through www.AUSHADHIVIRAAT.ORG. After completing the registration and webpage opening criteria, a user ID and password will be issued to Franchisee. The Franchisee shall then be directed to the Aushadhi Viraat Ayurveda Franchise rules of conduct which shall be accepted by the Franchisee and thereafter the Franchisee shall read & accept the FTC agreement. Upon successfully becoming Franchisee of Aushadhi Viraat Ayurveda, the Franchisee shall be allocated online account on the Aushadhi Viraat Ayurveda website/online portal. The Franchisee shall place the purchase order through its allocated online Account.
 - b) Acceptance or Rejection of Franchisor registration: Aushadhi Viraat Ayurveda reserves the right to accept or reject any Franchisee registration. A registration shall be considered accepted by Aushadhi Viraat Ayurveda when Applicant receives a completed and signed FTC Agreement, its contents are verified with Aushadhi Viraat Ayurveda records database, and the registration does not violate any Rule of Conduct.
 - c) Term: The term of the FTC agreement shall be till it is terminated by either party as per FTC agreement.
 - d) The Franchisee working in contract with Aushadhi Viraat Ayurveda must declare the name(s) of the company(s) for which they have worked in past or currently working as Franchisee.

4. Franchise Standard Conditions & Obligations (FSCO):

Following are the responsibilities and obligations of Franchisee:

- a) Franchisee will be responsible for meeting & discharging their all types of Statutory Liabilities like GST, Shop establishment, FSSAI, FORM "O [Clause 8 and 11) CERTIFICATE OF SOURCE FOR CARRYING ON THE BUSINESS OF SELLING FERTILISERS IN WHOLESALE/RETAIL/FOR INDUSTRIAL USE and Direct Taxes etc.
- b) Franchisee shall make sales to the Franchisees against 100% advance payment only. Aushadhi Viraat Ayurveda will not be responsible for any sort of bad debts/credits provided at the end of Franchisee and the Franchisee alone shall bear such losses.
- c) Franchisee shall not handover any cash to Aushadhi Viraat Ayurveda officials or Team Leaders or Directors of Aushadhi Viraat Ayurveda: Franchisee will always make payments to Aushadhi Viraat Ayurveda by depositing amount as per methods approved by RBI In to the Bank Account of Aushadhi Viraat Ayurveda.
- d) Franchisee shall deliver the goods to the area assigned to the Franchisee as per the FTC agreement. The PV for all products in a Franchisee's stock shall be reflected on Franchisee's webpage on Aushadhi Viraat Ayurveda. website. Once a product is sold to ASSOCIATE the PV for the said product is distributed in real-time to the ASSOCIATE's Tree of Sponsorship (TOS).
- e) Franchisee will follow Aushadhi Viraat Ayurveda Franchisee rules of conduct while using Aushadhi Viraat Ayurveda' brand and shall be liable for any violations of the Aushadhi Viraat Ayurveda Franchisee rules of conduct.
- f) Franchisee would have suitable space in vantage location. The structure, size and Franchisee would be as Aushadhi Viraat Ayurveda specification. Franchisee will procure Aushadhi Viraat Ayurveda's material and collateral as per Aushadhi Viraat Ayurveda Franchisee rules of conduct.
- g) Franchisee will be located at his place of operation and would operate in a given area. Reduction of and addition to the area would be Aushadhi Viraat Ayurveda's sole discretion.
- h) Franchisee would have an organization structure; follow system and strategies as per Aushadhi Viraat Ayurveda's guidance. Any deviation could lead to termination of FTC agreement.
- i) Franchisee should provide complete explanation and demonstration as well as description of the nature of products and services being offered for sale, provide details of prices, terms of payment, return policies, terms of guarantee, after-sales service, complaint Redressal mechanism etc. . Franchisee shall provide a bill and receipt to the Franchisee for orders placed

And subject to applicable legal requirements, maintain proper books of accounts in prescribed forms. Franchisee for Aushadhi Viraat Ayurveda shall not use misleading, deceptive or unfair trade practices for sale or recruitment of prospective Associate or require or Aushadhi Viraat Ayurveda's other Franchisee or sub Franchisee to purchase Aushadhi Viraat Ayurveda products or services in unreasonably large quantities and strictly adhere to, inter area, Aushadhi Viraat Ayurveda Rules of Conduct for Aushadhi Viraat Ayurveda's Franchisee.

- j) Franchisee would make available his personnel for training as per Aushadhi Viraat Ayurveda's specification. Franchisee shall always conduct Seminars at least once in a month, for product training. Website training and facilitation. Besides Quarterly Seminar, Franchisee shall conduct meetings at his place every week under intimation to Aushadhi Viraat Ayurveda corporate Office.

- k) There would be a price to be paid by franchisee for the procurement of promotional materials. The price applicable would be decided by Aushadhi Viraat Ayurveda from time to time
- l) Franchisee would make full disclosure of ownership to the company. Any change in management or ownership is liable to cancellation of the FTC agreements. The change should be approved by Aushadhi Viraat Ayurveda in writing.
- m) Franchisee would not take up conflict of interest work during the subsistence of FTC agreement, after the termination of the agreement, for another two-year, Franchisee would keep away from conflict of interest work within the region assigned to the Franchisee Conflict of interest work would include working with: or selling products of or providing services of Aushadhi Viraat Ayurveda's business competitors/Competing direct selling businesses.
- n) Franchisee would provide full and regular information on a periodic basis as per Aushadhi Viraat Ayurveda's system, about its operation in all functional areas.
- o) Franchisee would follow rules/customer service procedures and maintain quality standards as per Aushadhi Viraat Ayurveda's norms.
- p) Franchisee would ensure that tangible and intangible perception is built up positively for the brand and ensure customer satisfaction.
- q) Franchisee would not do anything, which is detrimental to the image or business Interest of Aushadhi Viraat Ayurveda's brand.
- r) Franchisee would promote the brand and strive to increase sales through the usage of below the line, local promotional activities in the said area. The cost of all localized promotions would be incurred by Franchisee. The Franchisee shall update, Aushadhi Viraat Ayurveda with all promotional activities undertaken by the Franchisee.
- s) Franchisee will display Aushadhi Viraat Ayurveda sign Board in front of Franchisee's Office and/or warehouse/Godown as per artwork & design sent to Franchisee; The signage/board printing and display charges shall be borne by Franchisee.
- t) Franchisee shall be responsible for distribution of all offers in Franchisee's area, as per list sent by Aushadhi Viraat Ayurveda from time to time.
- u) Franchisee premises will be treated as Center of Aushadhi Viraat Ayurveda for that area, where all ASSOCIATE and Team Leaders from the entire country shall be free to do their Aushadhi Viraat Ayurveda business and to conduct meetings for developing new ASSOCIATE.
- v) The products distributed and/or sold under Aushadhi Viraat Ayurveda's channel belong to the category of Ayurvedic Medicine and/or Herbal Cosmetic products and/or Food Supplements/Agricultural Products and any other products. The products are substantiated by approved label claim, Franchisee shall not get engaged into propagating inappropriate claims neither they should be engaged into providing and/or developing such promotional material directly or indirectly. If the Franchisee is engaged in such acts, Aushadhi Viraat Ayurveda will not be responsible for any consequences arising of the mis-propagated claim and the Franchisee will be terminated without any prior intimation and/or notice. All promotional

content, material etc. shall be provided by Aushadhi Viraat Ayurveda to the Franchisee and no changes/alterations shall be made to the same by the Franchisee in any condition.

- w) Franchisee must sell the products to all ASSOCIATE, irrespective of whether he/she are in Franchisee's TOS or not. Divulging this clause shall be treated as conflict of business interest; in this case if Aushadhi Viraat Ayurveda gets these kinds of notices or complaints repeatedly, Aushadhi Viraat Ayurveda may terminate the Franchisee FTC contract/agreement. (Other termination clause; like non-adherence to Aushadhi Viraat Ayurveda policy of distribution; inability to distribute goods within stipulated time period; non-maintenance of sufficient stock etc.)
- x) Franchisee should not offer any non-specified schemes or discounts to the Franchisee/ ASSOCIATE, if the Franchisee still offers then it shall be the Franchisee's liability & may lead to termination of Franchisee without any prior intimation and/or notice.
- y) The Franchisee shall intimate Aushadhi Viraat Ayurveda 180 days and not later than 120 days prior to the expiry date of the products along with the matching Invoice details and the Company may mobilize the said products subject to said products not being damaged, correct invoice details and the Various cost inclusive of logistics being borne by the Franchisee. Aushadhi Viraat Ayurveda shall not refund cost of any such mobilized products and replacement shall be subject to condition of returned products. Any product sold to distribute cannot be returned.
- z) Franchisee shall send the expired products to in Aushadhi Viraat Ayurveda at its own count and the said expired products shall be disposed of as per the applicable laws, rules & regulations.
- aa) In case the Franchisee fails to comply with any of the conditions of the Franchisee rules of conduct or FTC agreement Aushadhi Viraat Ayurveda shall block the Franchisee's ID after conducting Investigation. Aushadhi Viraat Ayurveda shall have sole authority to decide whether the Franchisee's ID is to unblocked or be terminated as per Franchisee's Rule of conduct or FTC agreement.

5. Code of Ethics for Distribution.

- a) Franchisee as a Aushadhi Viraat Ayurveda state, Aushadhi Viraat Ayurveda zone, Aushadhi Viraat Ayurveda Circle & Aushadhi Viraat Ayurveda Point, shall always maintain a minimum stock level as reflected on the Franchisee's account on the Aushadhi Viraat Ayurveda's website/online portal and depending on the demand of products in the allocated zone from time to time, and will have to maintain sufficient stock. To serve the complete monthly demand of its Area.
- b) All sales shall be made through the webpage in the address wwwmyAushadhi Viraat Ayurveda.Org only.
- c) Franchisee shall always place an order to Aushadhi Viraat Ayurveda by raising a Purchase Order (PO) along with payment details through the Franchisee account on Aushadhi Viraat Ayurveda website/online portal.
- d) On every Closing the Franchisee shall transfer the entire sales amount along with the corresponding Purchase orders of the previous week to Aushadhi Viraat Ayurveda.

- e) The Franchisee warrants and represents to the Aushadhi Viraat Ayurveda that it is a company /partnership/ proprietorship firm, validly existing and a good standing under the laws of republic of India and has all requisite power and authority to enter into agreement with the Aushadhi Viraat Ayurveda. All the obligations of the Franchisee under the FTC agreement, are legal, valid and binding obligations enforceable in accordance with its terms. There should be no proceedings pending against the Franchisee, which may have an adverse effect on the ability of the Franchisee to perform and meet its obligations.
- f) Franchisee base will be allocated to specific area, Franchisee as, Aushadhi Viraat Ayurveda zone shall put best efforts to appoint 10 Aushadhi Viraat Ayurveda Circle and Aushadhi Viraat Ayurveda Circle shall put all best efforts to appoint 15 Aushadhi Viraat Ayurveda Points in the allocated Area, Franchisee as Aushadhi Viraat Ayurveda Point shall ensure to distribute to 20-25 Arogyam Point. Franchisee shall put his best efforts to monitor that the Franchisee appointed by him under the Franchisee' area supplies to allocated area; however, only when the Franchisee is not available in the said district(s)/area; the Franchisee can supply to the un allocated open area. The Franchisee shall provide the appropriate services, offers, free good to the ASSOCIATES and customers as described under the company policy.
- g) Franchisee will ensure distribution related Code of Ethics.
- h) Aushadhi Viraat Ayurveda state/Aushadhi Viraat Ayurveda zone sells/distributes products only to downline Franchisees in its area and Aushadhi Viraat Ayurveda circle sells/distributes goods to downline Franchisees in its area.
 - i. Aushadhi Viraat Ayurveda Points sells goods in the Pin Code Areas allocated to them
 - ii. However, ASSOCIATE will be free to purchase goods from any Franchisee of their choice.
 - iii. Franchisees shall purchase only through its upline Franchisee.

6. Business Support Tools

Business Support Tools (or "BST") as used in these Rules means all products and services (Including but not limited to business aids, books, magazines, flip charts, and other printed material, online literature, internet websites, mobile application, advertising , audio, video or digital media, rallies, meetings, and educational seminars, and other types of materials and services) that are (i) designed to solicit and/or educate Prospects, Customers, or prospective Customers of Aushadhi Viraat Ayurveda products or services, or to support, train, motivate, and/or educate ASSOCIATES, or (ii) incorporate or Use one or more of the Marks or Copyrighted Works of Aushadhi Viraat Ayurveda, or (iii) are otherwise offered with an explicit or implied sense of affiliation, connection, or association with Aushadhi Viraat Ayurveda. Unless otherwise specified in writing, ASSOCIATES acknowledge that nothing in this Rule, or in any other Rule, shall be construed or interpreted as a license or other permission to incorporate any TOS Information into any BST.

Franchisee may sell BST only in accordance with Aushadhi Viraat Ayurveda merchandise sales plan. BST created, used, promoted, distributed, or offered for sale by or to ASSOCIATES must: (a) comply

with all Quality Assurance Standards and any applicable Rules of Conduct relating to their use, promotion, and sale. Except as explicitly provided in the Quality Assurance Standards, BST may not be offered for sale to Prospects.

7. Confidentiality:

- a)** Franchisee shall keep all information of confidential nature received from the Aushadhi Viraat Ayurveda Including the Associates' data, other Franchisees' data, promotion related data and tree of sponsorship data; in whatever form as strictly confidential and shall not disclose it to third Parties without the prior written consent of Aushadhi Viraat Ayurveda during the term of the FTC agreement
- b)** Franchisee will not to disclose revenue information without Aushadhi Viraat Ayurveda prior written consent.
- c)** Confidentiality of the TOS:Aushadhi Viraat Ayurveda protects the TOS and TOS Information for the benefit of Aushadhi Viraat Ayurveda, Franchisees and of all ASSOCIATES. Aushadhi Viraat Ayurveda keeps TOS Information proprietary and confidential and treats it as a trade secret.Aushadhi Viraat Ayurveda is the exclusive owner of all TOS Information, which is derived, compiled, configured, and maintained through the expenditure of considerable time, effort, and resources by Aushadhi Viraat Ayurveda and its ASSOCIATES. Franchisee cannot use the TOS information in whatever manner.
- d)** Franchisee acknowledges, and agrees not to challenge, that: (i) TOS Information is confidential and a valuable trade secret owned by Aushadhi Viraat Ayurveda; (ii) TOS Information is owned exclusively by Aushadhi Viraat Ayurveda; and (iii) Franchisee do not own any rights in TOS Information. Franchisee agree not to challenge or interfere with Aushadhi Viraat Ayurveda authority to license or sublicense TOS Information. Franchisee shall not assert or seek any rights or protection of any kind in TOS Information other than those limited rights or protections that may be specifically granted by this Rule.
- e)** All Franchisee shall maintain TOS Information in strictest confidence and shall take all reasonable steps and appropriate measures to safeguard TOS Information and maintain the confidentiality thereof. A Franchisee shall not compile, organize, access, create lists of, or otherwise use or disclose TOS Information, Franchisee also shall not disclose TOS Information to any third party or use TOS Information in connection with any other businesses or to compete, directly or indirectly, with the Aushadhi Viraat Ayurveda business.
- f)** Franchisee shall promptly return any and all TOS Information toAushadhi Viraat Ayurveda upon non-renewal, or termination; and shall immediately discontinue any further use thereof.
- g)** Every Franchisee acknowledges that use or disclosure of TOS Information, will cause significant and irreparable harm toAushadhi Viraat Ayurveda, warranting an award of injunctive relief, including a temporary restraining order and/or a preliminary injunction, specific performance, and damages including costs, attorneys' fees, and disgorgement of all profits made as a result of such unauthorized use or disclosure.
- h)** Franchisee' obligations under section 6 shall survive and remain enforceable following the termination of that FTC agreement.

- i) Every Franchisee acknowledges that present section 7 protects the reasonable competitive business interests of Aushadhi Viraat Ayurveda and Franchisee, and that a violation of any subsection of this section 7 will cause significant and irreparable harm to ASSOCIATES and Aushadhi Viraat Ayurveda warranting an award of injunctive relief, including a temporary restraining order and/or a preliminary injunction, specific performance, and damages including costs, attorneys' fees, and disgorgement of all profits made as a result of such violation.
- j) Franchisee obligations under this section 7 shall survive and remain enforceable following the termination of its FTC agreement.

8. Conditions for delivery of good:

- a) The products will be supplied by Aushadhi Viraat Ayurveda to Franchisee FOR Franchisee's State/District/Pin code.
- b) Franchisee as Aushadhi Viraat Ayurveda/Aushadhi Viraat Ayurveda zone shall deliver goods to Aushadhi Viraat Ayurveda circle and Aushadhi Viraat Ayurveda circle shall deliver goods to the Aushadhi Viraat Ayurveda Points through local transport with prepaid freight.
- c) The Purchase orders (PO) received by Franchisee from assigned sub-franchisee, should be dispatched within 24 hours of receiving PO, further to this the merchandise shall be delivered within 7 calendar days. If the Franchisee is falling to supply goods timely or repeated delays will lead to loss of business
- d) Volume and in such case with prior notice and/or intimation Aushadhi Viraat Ayurveda can appoint new/additional and/or another Franchisee for streamlining the supply and/or delivery of goods.

9. Compliance of FSCO & FTC agreement and Action by Aushadhi Viraat Ayurveda:

- a) Complying with the Franchise Standard Conditions & Obligation and FTC agreement is essential for preserving a strong and viable business for Franchisee and Aushadhi Viraat Ayurveda. Franchisee and Aushadhi Viraat Ayurveda each have rights & responsibilities for ensuring smooth functioning but to ensure strict compliance, Aushadhi Viraat Ayurveda shall be entitled to act against any Franchisee for non-compliance, misconduct or breach.
- b) When Aushadhi Viraat Ayurveda detects a misconduct or potential breach of the FTC agreement, it may first investigate as appropriate. Before taking enforcement action, Aushadhi Viraat Ayurveda shall attempt to contact the Franchisee in an effort to resolve the issue. If the communication does not resolve the issue, Aushadhi Viraat Ayurveda may take any enforcement action authorized under these FTC agreements including, but not limited to, one or any combination of the following:
 - i. A written warning to a Franchisee.

- ii. Suspending merchandise supply for a specified period of time, or until certain conditions have been satisfied. During the suspension period Aushadhi Viraat Ayurveda may provide merchandise to assigned sub- franchisee under the said Franchisee.
 - iii. Compensatory remedies, as applicable.
 - iv. Terminating FTC agreement.
 - v. If a Franchisee elects to challenge any action taken by Aushadhi Viraat Ayurveda under this Rule, the Franchisee shall submit the issue to the Dispute Resolution Procedures described in FTC agreement.
- c) If a Franchisee believes that another Franchisee has breached the FTC agreement, the Franchisee should first contact the Aushadhi Viraat Ayurveda with relevant proofs in an effort to resolve the issue. If a Franchisee believes that Aushadhi Viraat Ayurveda has breached the FTC agreement, the Franchisee first shall contact Aushadhi Viraat Ayurveda in an effort to resolve the issue. If discussion with Aushadhi Viraat Ayurveda does not resolve the issue, the Franchisee may file a written complaint with Aushadhi Viraat Ayurveda. The complaint should explain the issue in as much detail as possible and include all supporting documents. Aushadhi Viraat Ayurveda will investigate as appropriate and take enforcement or corrective action.
- d) A Franchisee who elects to challenge the validity of a Rule or other term of the FTC agreement shall first contact Aushadhi Viraat Ayurveda in an effort to resolve the issue. If the Franchisee is not satisfied with Aushadhi Viraat Ayurveda response, the dispute shall be resolved in Arbitration under FTC Agreement.
- e) Duty to Cooperate: All Franchises are required to respond to inquiries and otherwise cooperate in a timely fashion with any investigation conducted by Aushadhi Viraat Ayurveda. Failure to respond to inquiries or to otherwise cooperate in a timely fashion is a violation of the Aushadhi Viraat Ayurveda Franchise Rules of Conduct and may result in Aushadhi Viraat Ayurveda acting against the Franchisee.
- f) Non Waiver. The failure of Aushdhi viraat Ayurveda or any Franchisee to enforce any breach of any provision of the FTC agreement shall not constitute a waiver of any prior, concurrent, or subsequent breach of the same or any other provision of the FTC agreement.

10. Termination of Franchise

- a) The Franchisee may after giving 30 days prior written notice to Aushadhi Viraat Ayurveda terminate the FTC agreement subject to terms/clauses of FTC agreement. A Franchisee will not be entitled to purchase to Aushadhi Viraat Ayurveda products or services upon serving the notice.
- b) Aushadhi Viraat Ayurveda may terminate the FTC agreement of any Franchisee without notice in the following cases:
 - i. The Franchisee indulges in unfair trade practices or any malpractices;
 - ii. The Franchisee fails to maintain minimum stocks as per the FTC agreement
 - iii. The Franchisee breaches the Direct Selling rules/guidelines published by the Government of India or respective State Government;

- iv. Due to misrepresentation by the Franchisee to any consumer or prospective Associate,
 - v. The Franchisee becomes insolvent.
 - vi. The Franchisee tempers with the products, labels, Packaging before selling them.
 - vii. Due to legal, regulatory or other developments that require material operational changes within the Area, in which case Aushadhi Viraat Ayurveda may, if regulatory conditions allow, endeavor to restructure the contractual relationship with the Franchisee on such terms and conditions as are then practical and legally permissible.
- c) Aushadhi Viraat Ayurveda shall terminate this contract by giving 30 days' notice in writing if the Franchisee fails to make any purchase of Aushadhi Viraat Ayurveda products or services for a consecutive period exceeding 2 months. Aushadhi Viraat Ayurveda may from time to time amend any of the Aushadhi Viraat Ayurveda Franchise Rules of conduct and/or FTC agreement through notice on its website, [www. Aushadhiviraat.org](http://www.Aushadhiviraat.org) If the Franchisee does not agree to be bound by such amendment(s), he/ she/they may terminate the FTC agreement with by giving 30 days written notice to Aushadhi Viraat Ayurveda. Otherwise, the Franchisee's continued relationship with Aushadhi Viraat Ayurveda constitutes an affirmative acknowledgment by the Franchisee of the amendment(s), and his/her/their agreement to be bound by the same

11. Governing Law:

The Aushadhi Viraat Ayurveda Franchisee Rules of Conduct, FTC agreement and all questions of interpretation shall be governed by and construed in accordance with the laws of the Republic of India, without regard to its principles of conflicts of laws. The Agreement is civil in nature and hence, it is to be governed and construed in accordance with the Indian Contract Act, 1872, the Code of Civil Procedure and other applicable laws of India.

12. Marks and Copyrighted Works:

Aushadhi Viraat Ayurveda Marks and Copyrighted Works are important and valuable business assets of Aushadhi Viraat Ayurveda. The Marks help identify the source and reputation of Aushadhi Viraat Ayurveda' products and services worldwide and distinguish them from those of competitors Aushadhi Viraat Ayurveda makes Commercially reasonable efforts to protect the Marks from improper use, including through the Rules of Conduct, accreditation of Approved Providers, and a corporate identity program that requires the correct and consistent use of the Marks, both in appearance and substance.

13. Modification of the Aushadhi Viraat Ayurveda Franchise Rules of Conduct or FTC agreement:

Aushadhi Viraat Ayurveda may modify the Aushadhi Viraat Ayurveda Franchise Rules of Conduct or FTC agreement in accordance with the following procedures.

- a) Aushadhi Viraat Ayurveda notify Franchisee of the proposed changes by making them available to review a by logging on to [www. Aushadhiviraat.org](http://www.Aushadhiviraat.org) and the Franchisee may accept the said changes online.
- b) Prior to the effective date of any proposed changes, any Franchisee who is unwilling to accept changes, if it wishes, it can provide notice of its intent to terminate FTC agreement.

14. Details of franchisee:

S.No.	Franchise Name	Minimum Stock	Stock Amount	Fresh Income
01	Arogyam Centre	10,000/-	50,000/-	5%
02	Viraat Point	1,00,000/-	4,00,000/-	8%
03	Viraat Circle	5,00,000/-	20,00,000/-	10%
04	Viraat Zone	10,00,000/-	50,00,000/-	12%
05	Viraat State	25,00,000/-	100,00,000/-	14%

Note:- All Income Will Be Calculated By B.V Of The Products

