



**PROVEDA**  
leading you to success

# CODE OF **ETHICS** & RULES OF **CONDUCT**

## **Code of Ethics & Rules of Conduct of Proveda Independent Business Ownership**

As the owner of my Proveda Independent Business, I agree to conduct my Proveda India business according to the following ethical guidelines:

1. As a basic guideline in my activities as a PIBO, I will endeavor to always treat others, as I would have them treat me.
2. I will respect and follow this Code of Ethics (hereinafter ‘the Code’) and the Rules of Conduct (hereinafter ‘the Rules’) as well as all applicable laws, rules, and regulations observing not only “the letter” but also “the spirit” thereof.
3. I will present Proveda India Products and the Proveda India Sales and Marketing Plan to all prospective PIBO in an accurate, fair, truthful, and honest manner, and I will make sure to present only what is approved on the official Proveda India Website and Proveda India Promotional Material.
4. I will be courteous and prompt in the handling of any and all claims for exchange and return and follow the procedures prescribed by Proveda India from time to time 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 PIBO has far-reaching effects.
6. I will accept and carry out the responsibilities of PIBO and those of the Sponsor, as set forth in the official Proveda India website and printed material.
7. In my Proveda India product sales activities, and for the purposes of protecting the Proveda India Sales and Marketing Plan, I will use only Proveda India produced or Proveda India authorized educational material.
8. I will not make negative or disparaging remarks about the Company, its products, officers, employees, or other people and products. I will be respectful to the Company as well as the direct selling business.

9. I will not sell the products of Proveda India through retail outlets or through any E-Commerce portal.
10. I will not instigate, encourage, indulge and/or guide downlines for bonus rebate/refund of commission.
11. I will not encourage PIBO recruited by me to purchase goods/literature or sales demonstration equipment in unreasonably large amounts.
12. I will not use the Company's trade name(s), information, literature, advertising material, and gathering of people or other resources including Intellectual Property to introduce and promote interests of any entity other than the Company.
13. I will strive to ensure that my customers and fellow PIBO are satisfied with the Company's products and my services.
14. I will always abide by the PIBO Rules and Regulations.
15. I will not resort to any fraudulent act in promoting the Company's business at the expense of the Company and fellow PIBO.
16. During PIB Ownership and thereafter, I will not do anything that may adversely affect the Company, its reputation, and business interests.
17. I shall not use misleading, deceptive, and/or unfair trade practices.
18. I shall take appropriate steps to ensure the protection of private information provided to me by the consumers.
19. I shall not promote the Products of any other Direct Selling Company till the time I am associated with Proveda India otherwise Proveda India has the right to terminate my id immediately and any amount which I have earned would be hold in Proveda India and I will lose all my rights to claim the Payment.
20. In case of any complaint and escalation towards the company I shall follow the hierarchy developed by Proveda Marketing India Pvt. Ltd.
21. I will ensure that I will not share any Login Credentials with anyone pertaining to PIBO/ Franchise. If shared, then in case of any Misuse, Proveda India would not be responsible for any transaction that occurred thereafter. If I found in practices like

misuse of Franchise Login Credentials or PIBO Wallet, the company can take appropriate action.

22. I will ensure that I will not switch over my PIBO ID till the time I am associated with Proveda India. In case of any issue occurs with my immediate sponsor, I will follow the guidelines as per the surrender policy directed by Proveda India.

23. I will ensure that in case of any product issues and complaints I will follow the instruction of Return/ Replacement directed by Proveda India.

24. I will ensure that I will not use any unauthorized literature which has not been floated by Proveda India. In case Proveda India finds that I am using any such literature which is not approved by the management then Proveda India has a right to issue the notice to me. I can only use the literature after due approval by the management.

25. I will ensure that I visit the consumer's premises with an Identity card and Prior appointment only.

26. I will ensure that in pursuance of sales, I will not make any claim that is not consistent with claims which are not approved by the company

27. I will ensure the presentation and other representation used in direct selling shall not contain any product description, claim, illustration, or other elements which directly, or by implication are likely to mislead the consumer.

28. I will ensure the explanation and demonstration of the goods offered are accurate and complete, particularly with regard to price, terms of payments, cooling-off period, right to return, terms of the guarantee, and after-sales services and deliveries.

29. I will ensure that the promotional literature which I will give would have my name and telephone number.

## **POLICIES/RULES+REGULATIONS**

The following Rules & Regulations of Proveda Marketing India Pvt. Ltd. (the Company) are formulated and implemented for safeguarding rights and dignity of the PIBO's while regulating conduct of business. To mold yourself as a responsible and ethical PIBO of Proveda India, you must understand and abide

by the Policies/Rules and Regulations of the Company; any violation of the same can result in appropriate action on your PIB Ownership.

The Company reserves the right to amend its Policies, Rules, and Regulations by issuing prior notice or clarification. You are expected to visit the Company's website and Company's official social media pages from time to time and keep yourself abreast with updated policies, rules, and regulations.

**A. Individuals**

- a. Individuals aged 18 years and above can apply to be a PIBO of the Company.
- b. The Company has absolute discretion to decide whether to accept or reject an application.
- c. Business Owner of the Company is not an agent, representative, or employee. The relationship is on a principal to principal basis and he is an Independent Proveda Business Owner.
- d. All applications must be sponsored by an existing Independent Proveda Business Owner.
- e. Wife and husband can constitute 2 separate units for doing business but within the same line of sponsoring.
- f. Son or unmarried daughter of a PIBO can join the Business with their independent ID if the line of sponsorship is under their family ID. Similarly, any of the family members can join under their son/unmarried daughter.
- g. All individuals should have valid KYC documents as specified below in the KYC column.



## **B. Legal entities**

(Such as HUF, Partnership firms, LLP, Company, Society and Trust)

- a. In such cases registration shall be in the name of the legal entity.
- b. A copy of the constitution, deed, articles of the association along with a certificate of institution/incorporation, as may be applicable for the entity and PAN card should be submitted along with the application form. In cases of HUF, a copy of the PAN card would suffice.
- c. Liability and entitlement of such entity are as per law of the land. Bonus payment would be made by the Company in the name of the entity.
- d. Any change in the constitution of the entity should be intimated to the Company and a fresh application form should be submitted along with the new/updated constitution. The company reserves the right to refuse registration of such new/fresh composition or constitution.
- e. Company will communicate only with a person /official duly authorized by the entity under written intimation to the Company in advance.
- f. In case of dissolution / winding up / insolvency of the entity, bonus entitlement/arrears, if any, shall be released to the successor entity upon submission of proof acceptable to the Company. Claim(s) in this respect shall not be entertained after 90 days from the incident of dissolution / winding up or declaration of insolvency.

## **Bonus Payment**

- a. Bonus for all PIBO is computed once in a calendar month for repurchase, and commensurate with the business done in the relevant business month. The Company will issue payouts to the registered PIBO as per Company's policy.
- b. On receipt of monthly payout, PIBO should check the accuracy of computation. Any queries in this respect should be made within 14 days from the date of issuance

of the payout by the Company. In the absence of such queries, the figures mentioned in the statement shall be final and binding.

- c. It is mandatory for the PIBO to provide their address and bank details. They must also send to us information as per Company Guidelines if there is any change in their address/bank details/mobile no/email id.
- d. In order to receive a Bonus, the PIBO must mandatorily provide his/her Bank Details to Proveda India.

### **Procedures for Dealing with Instances of Violation**

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

- a. A complaint has to be lodged immediately upon knowing about violation of any Policies/Rules and Regulations of the Company. The complaint must be given in writing through registered email id or registered post by giving details of the alleged violation; also he/she must inform his/her active Ruby Star rank and above upline about the complaint.
- b. Upon receiving the complaint, the company shall immediately notify the PIBO involved, requesting a swift response by way of a chance to explain his/her case. The company may in appropriate cases institute such action suo-moto.
- c. In case of inadequate information, the Company may request more details from either party.
- d. If the Company is convinced that the only way to restore normalcy is to suspend or terminate PIB Ownership, it shall convey its decision by writing a letter to the concerned Independent Business Owner. The letter shall be posted through Registered mail/ Courier to the last known address of the PIBO as listed in Company's database and the post mark shall be taken

as proof of receipt. The Company reserves the right to take necessary action against the terminated PIBO including seeking compensation, recovery, damages, and legal costs incurred if any. However, the Company reserves the right to amend or modify any part of the above decision if and when such a need is felt by the Company.

### **Renewal of Business Ownership**

- a. The Company does not charge any renewal fee. PIB Ownership is discontinued if the PIBO resigns and if the resignation is accepted by the Company. The PIB ownership is deactivated by the Company if the PIBO does not conduct any business with the Company for more than one year or for any violations of Company policies. If the proper documentation is submitted for a genuine reason then the company can re-activate the ID.
- b. In the above cases the PIBO will be required to put forth his/her claims within one month of the date of the above happenings, thereafter no claim will be entertained. The claims will be settled as per Company's Policy.
- c. The limitation period of claiming any amount due to the PIBO by Proveda India shall be one year. No claims after a period of one year from the due date shall be entertained by Proveda India.

### **What is Active ID?**

- a. A person who completes their KYC and activates their ID.
- b. Accumulated at least 1 Startup Bonus Point in one Month

### **KYC: Know Your Customer**

A person/entity who completes the KYC (Aadhar Card, Driving License, Voter ID Card, Passport, Govt. ID Proof, or any other identity document(s) issued by any State Government or the



Central Government, which can be verified) formalities and fills the Distributor Application Online Form (the “Applicant”) shall be assigned a Unique Identification Number. The Unique Identification Number shall be valid for 90 days and the Applicant shall be confirmed as a PIBO pursuant to its carrying out at least one transaction within 90 days from the date of submission of the Distributor Application Online Form.

- a. For Legal Entities as shared earlier we would need all documents and bank account related to the Legal Entity. If found different, the company has the right to hold the payouts and terminate the ID.
- b. KYC is mandatory compliance that needs to be completed within 90 days from the date of registration; otherwise, that unique identification number would be deactivated.

### **Labeling, Packaging and Pricing**

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

### **Cross Sponsorship and Multiple Id's**

No Cross Sponsoring of PIB Ownership shall be allowed. “Cross Sponsoring” in this context means:

- a. Signing up an existing PIBO from another group.
- b. Signing up the wife when the husband is already a PIBO or vice versa in another group.

c. Signing up under another sponsor to operate his/her new Independent Ownership when his/her previous ownership is still valid.

d. Allowing other people or relatives to use his/her independent ownership to do business.

e. If a son or unmarried daughter joins the business with their own ID but their line of sponsorship is not under their family ID, then such a case will be treated as cross sponsoring and the ID taken by son/unmarried daughter will be terminated.

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

f. In case a son/unmarried daughter wants to work in another line of sponsorship then NOC (No Objection Certificate) should be taken from the relative or active line of sponsorship.

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

(i) Any PIBO found doing activity in any network, within 6 months of resigning (termed as inactivity rule or period), for example, promoting any close relative/acquaintance, then the ID of the relative/acquaintance will be treated as a second ID and the same will be terminated. Appearance in any form of meetings, etc., within six months of resigning, will render the resignation of the PIBO in question nullified due to violation of the inactivity rule. The PIBO's "cooling off" period of six months will be recounted from the date of the second ID's termination.

(ii) If a PIBO is found promoting a network in another line of Sponsorship, then the Company will take appropriate action against that PIBO. The ID/IDs for whom the PIBO is doing activities will be terminated, once the other ID/IDs for which the PIBO has been doing promotion/activities are identified.

(iii) In such case, cross sponsoring is found the tree is shifted to the first ID as per mutual discussion with Management.

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

(v) If the complaint is received after more than six months of a PIBO taking other ID/IDs, the same will not be entertained. On receipt of such complaint, the Company will terminate one of the IDs of the PIBO, whichever may deem fit and the network will remain with the active ID.

(vi) The Company will terminate the PIB Ownership and also withhold the Bonus payment of any PIBO who is found doing Cross Sponsoring of any other existing PIBO(s)

In case the management finds out that the registration of a PIB Ownership /second ID was done through unethical means, or without the PIBO's consent/knowledge, or by submitting illegible/invalid documents, then the Company will terminate the ID/IDs, which the management may deem fit. In addition, the PIBO who initiated the above-mentioned activities will be subjected to disciplinary action by the Company that may result in the Company suspending/terminating/withholding bonus payments of the PIBO and/or imposing a fine on the PIBO. The Company's decision in the above cases will be final.

### **Preservation of the Line of Sponsorship**

#### **Protection of the LOS and LOS Information:**

As used herein, the sale of an ownership interest in a PIB Ownership, merging Ownerships, or separating or dividing an Ownership, each inherently involves the assignment of the Ownership Agreement or an amendment thereof, and, as such, require prior authorization by Proveda India. Transfers of PIBO

from one Sponsor to another are only granted at the sole discretion of Proveda India.

**Individual Transfers:**

Without limiting or restricting in any way Proveda India powers and discretion, any PIBO who wants to change Sponsors must submit a written request to Proveda India accompanied by a NOC (No Objection Certificate) from the existing sponsor.

**Expiry/Cancellation/Resignation/ Succession of PIB Ownership**

a. (i) Any PIBO, up to the level of Emerald, may resign from PIB Ownership by submitting an application and required documents. Acknowledgment of receipt of such communication constitutes resignation. A person who resigns or whose Ownership is canceled/terminated may reapply for Ownership only after the lapse of a period of six months (cooling period) from the date of resignation/cancellation of his/her last Ownership.

(ii) Any PIBO, from the level of Diamond, may resign from PIB Ownership by submitting an application and required documents. Acknowledgment of receipt of such communication constitutes resignation. A person who resigns or whose Ownership is canceled/terminated may re-apply for Ownership only after the lapse of a period of one year (cooling period) from the date of resignation/cancellation of his/her last Ownership.

b. In case a PIBO resigns for certain unforeseen circumstances, subject to Company's satisfaction, he/she may transfer the Ownership to his/her blood relative only by submitting the proper reason, proof, and documentation required in writing.

c. PIB Ownership in ordinary circumstances expires upon death or proven incapacity of the PIBO. However, a nominee of the deceased upon evincing interest to succeed PIB Ownership may be allowed by the Company. In cases where the nominee does

not come forward till one year from the date of death or incapacitation of the original PIBO as the case may be, the successor of the deceased upon submitting appropriate documentation and evincing interest to succeed PIB Ownership may be allowed by the Company. However, under no circumstances such PIB Ownership will be entertained after one year from the date of death or knowledge of incapacitation of the PIBO either from nominee or successor.

d. PIB Ownership may be canceled/terminated, declared unclaimed, or suspended by the Company for the reasons mentioned in the Company's Policies/Rules and Regulations.

### **Prohibited Act**

A PIBO shall not:

- a. Incur any liabilities or Debt in the name or on behalf of the Company.
- b. Enter into, modify or alter any contract in the name of the Company.
- c. Engage him or show interest directly/indirectly as agent, servant, or licensee for sale of any product/ goods other than those of the Company, in any trade, business, or profession in competition with the Company.