

GLOSSARY “TERMS TO LEARN”

The following are some important terms to learn regarding the **OPTAVIA** Compensation Plan:

Accelerator Assist Bonus - A matching bonus of either \$150 or \$250 paid to the Sponsor of a new **OPTAVIA** Coach who earns his/her first Coach Accelerator Bonus.

Associate Director - An **OPTAVIA** Coach who qualifies as a Senior Coach with three (3) Qualifying Points in a Monthly Bonus Period.

Bonus Qualified - An **OPTAVIA** Coach who has met the requirements to earn specific bonuses within the **OPTAVIA** Compensation Plan.

Business Coach - A Coach who enrolls, trains, and mentors **OPTAVIA** Coaches. Synonymous with “Sponsor”.

Business Leader - A Business Coach who builds Teams of Business Coaches.

Career Path - Specific and measurable accomplishments and benchmarks within the **OPTAVIA** Compensation Plan that relate to set qualifications of achievement or “ranks.”

Certification: **OPTAVIA** offers additional optional training to help Coaches become more knowledgeable and skilled. Coaches who elect to purchase, complete, and pass this online - Certification Exam are deemed “Certified”.

Certified Coach: Someone who has successfully completed and passed the online Certification Course.

Client: An individual who receives the support of an **OPTAVIA** Coach and orders Fuelings and other items via a Coach’s personalized website or by calling **OPTAVIA** directly.

Client Support Bonuses: Sliding scale bonus paid to Coaches who generate at least 1,200 Frontline Qualifying Volume (FQV) in a Monthly Bonus Period while supporting five (5) Ordering Entities. Client

Support Bonuses are paid as a percentage of Frontline Compensation Volume (FCV) generated in a Monthly Bonus Period from 5% to 13%, depending on the Frontline Qualifying Volume (FQV).

Client Support Commissions: Flat 15% bonus paid on Level 1 orders (15% of Frontline Compensation Volume/FCV) in a Weekly Commission Period.

Coach: An individual or business entity who has purchased an **OPTAVIA** Coach Business Kit (or fulfilled the requirements in his/her home market for enrolling as a Coach) and agreed to **OPTAVIA**’s terms and conditions, including, but not limited to, the Independent **OPTAVIA** Coach Agreement. Also, base rank in the Compensation Plan. Coaches are ranked with tiers based on various qualifications, which may include Ordering Entities, FQV, GQV, Senior Coach Teams, Executive Director Teams, and FIBC Teams.

Coach Accelerator Bonus (CAB): New **OPTAVIA** Coaches can earn \$150 when they develop at least three (3) New Frontline Clients who each order at least 345 Frontline Qualifying Volume (FQV) in a month **OR** \$250 when they develop at least five (5) New Frontline Clients who each order at least 345 Frontline Qualifying Volume (FQV) in a month. New **OPTAVIA** Coaches can earn a CAB during their first three (3) months as a Coach.

Coach Consistency Bonuses: A special bonus for Coaches who demonstrate Frontline Qualifying Volume (FQV) consistency for a consecutive three month (rolling) period. Coach Consistency Bonuses are tiered (\$250, \$500, and \$1,000) based on a Coach’s Frontline Qualifying Volume performance each month in the three-month period. A minimum of 2,000 Frontline Qualifying Volume per month is required to be eligible for any Coach Consistency Bonus. Coaches are eligible to receive this bonus four (4) times in a 12-month period.

Commissionable Goods: Any products including **OPTAVIA** Fuelings, Snacks, Supplements, Flavor Infusers, etc. that can be consumed. Tools, apparel, program materials, events, fees, taxes, and shipping are not Commissionable Goods, and thus not eligible for compensation.

Compensation Volume (CV) - The value assigned to any product/item in the **OPTAVIA** product portfolio for the purposes of compensation calculation. All products/items have a Compensation Volume (CV) amount which is an indexed amount, ranging from 0% to 100% of the retail price.

Compression - Any Coach in the Line of Sponsorship that fails to meet the qualification requirements for rank or bonuses are ineligible to receive certain bonuses, including Executive Director Generation Bonuses and Elite Leadership Bonuses.

Director - A Coach who qualifies as a Senior Coach with four (4) Qualifying Points (QP) in a Monthly Bonus Period.

Elite Leadership Bonuses - Bonuses paid to Coaches who qualify as National Director or higher in a Monthly Bonus Period. Paid as a percentage of Group Compensation Volume (GCV), down to the second qualified Coach at or above that rank in-depth. There are three (3) potentially overlapping Elite Leadership Bonuses available.

Executive Director - A Coach who qualifies as a Senior Coach with five (5) Qualifying Points (QP) in a Monthly Bonus Period.

Executive Director Generation Bonus - Bonus paid to Coaches who qualified as Regional Director or higher in a Monthly Bonus Period. Paid as a percentage of Group Compensation Volume (GCV) on generations of Executive Director Teams in depth.

Executive Director Team - A unique Line of Business starting with the first qualified Executive Director in depth. The first qualified Executive Director in the Line of Business qualifies the Team (Executive Director Teams DO NOT need to be personally sponsored or on a Coach's Frontline/Level 1).

Frontline - All Clients or Coaches in a Coach's Level 1.

Frontline Qualifying Volume (FQV) - The sum of all Qualifying Volume (QV) on a Coach's Level 1 (Frontline), excluding a Coach's own Personal Qualifying Volume (PQV). Frontline Qualifying Volume (FQV) in a Monthly Bonus Period also determines the percentage (if any) for various monthly bonuses, including the Client Support Bonuses and Coach Consistency Bonus (if applicable).

Frontline Compensation Volume (FCV) - All of the combined Personal Compensation Volume (PCV) from orders of Commissionable Goods placed by individuals in a Coach's Frontline (Level 1), excluding a Coach's own Personal Compensation Volume (PCV). Commissions are paid weekly on Frontline Compensation Volume (FCV).

Fully Integrated Business Coach (FIBC) - A Business Coach who demonstrates proficiency in both Client Acquisition and support and Coach Sponsoring and Mentorship. He/she maintains Frontline Qualifying Volume (FQV) of at least 6,000, has five (5) qualified Senior Coach Teams, and has Group Qualifying Volume (GQV) of at least 15,000 in a Monthly Bonus Period.

Fully Integrated Business Coach Consistency Bonus (FIBC Consistency Bonus) - A \$1,000 bonus paid to Coaches who are Certified and meet the following criteria for three (3) consecutive Monthly Bonus Periods:

- Frontline Qualifying Volume (FQV) of at least 6,000; and
- Five (5) qualified Senior Coach Teams; and
- Group Qualifying Volume (GQV) of at least 15,000.

Fully Integrated Business Coaches (FIBC) are eligible to receive this bonus four times in a 12-month period.

Fully Integrated Business Coach (FIBC) Team - A Team that contains at least one qualified Fully Integrated Business Coach (FIBC).

Fully Integrated Business Leader (FIBL) - A Coach who demonstrates mastery in Team Building. He/she is Certified and qualifies as a Global Director and has five (5) qualified Fully Integrated Business Coach (FIBC) Teams in a Monthly Bonus Period.

Generation - All of the Coaches and their Clients within a qualified Executive Director's Line of Business, down to the next qualified Executive Director (or above) in depth.

Generation Compensation Volume (Gen CV) - All Compensation Volume (CV) from a qualified Executive Director's (or higher) Team, down to the next qualified Executive Director (or higher) in depth. Generation Volume is used for the calculation of Executive Director Generation Bonuses.

Global Director - A Coach who qualifies as an Executive Director and has five (5) qualified Executive Director Teams in a Monthly Bonus Period.

Group Qualifying Volume (GQV) - The sum of all Qualifying Volume (QV) in a Coach's organization, including their Frontline Qualifying Volume (FQV). DOES NOT include a Coach's Personal Qualifying Volume (PQV).

Group Compensation Volume (GCV) - Total volume from all of the orders on which a Coach receives compensation, including their Frontline Compensation Volume (FCV). Group Compensation Volume (GCV) does not include a Coach's Personal Compensation Volume (PCV).

Highest Rank Achieved - The highest rank ever achieved by a Coach in the Compensation Plan. Highest Rank Achieved used for recognition purposes only and is subject to maintenance requirements. Also known as "Recognition Title Rank" or "Title Rank."

In-depth (or Depth) - The Clients and/or Coaches in a Coach's business below his/her Frontline (Level 1). Depth occurs as Coaches Sponsor other Coaches and begin building Teams.

Integrated Executive Director (IED) - A Coach who has 6,000 Frontline Qualifying Volume (FQV), five (5) qualified Senior Coach Teams, and 15,000 Group Qualifying Volume (GQV) in a Monthly Bonus Period. *Also known as a Fully Integrated Business Coach (FIBC).*

Integrated Global Director (IGD) - A Coach who qualifies as an Executive Director and has five (5) qualified Fully Integrated Business Coach (FIBC) Teams in a Monthly Bonus Period. *Also known as a Fully Integrated Business Leader (FIBL).*

Integrated National Director (IND) - A Coach who qualifies as a Fully Integrated Business Coach (FIBC) and has three (3) qualified Executive Director Teams in a Monthly Bonus Period.

Integrated Presidential Director (IPD) - A Coach who qualifies as an Executive Director and has ten (10) qualified Executive Director Teams in a Monthly Bonus Period, five of which must be qualified Fully Integrated Business Coach (FIBC) Teams.

Integrated Regional Director (IRD) - A Coach who qualifies as a Fully Integrated Business Coach (FIBC) and has one qualified Executive Director Team in a Monthly Bonus Period.

Line of Business ("Team") - A downline segment of business genealogy consisting of a qualified Senior Coach, Executive Director, OR Fully Integrated Business Coach (FIBC) that qualifies the entire Team as a Senior Coach Team, Executive Director Team, or FIBC Team. For qualification purposes, there can only be one qualified Senior Coach, Executive Director, and/or FIBC in a Line of Business (no "stacking"). A Line of Business looks downline, whereas a Line of Sponsorship looks upline.

Line of Sponsorship (“Upline”) - The lineage of Coaches from an individual to his/her Coach (Sponsor), connected to the next upline Coach and so forth until reaching Top of Tree. A Line of Sponsorship looks upline, whereas a Line of Business looks downline.

Manager - A Coach who qualifies as a Senior Coach with two (2) Qualifying Points (QP) in a Monthly Bonus Period.

Monthly Bonus Period - Period for which rank qualifications and monthly bonuses are calculated. Begins at 12:00 AM PST on the first calendar day of the month and ends at 11:59 PM PST on the last calendar day of the month.

National Director - A Coach who qualifies as an Executive Director and has three (3) qualified Executive Director Teams in a Monthly Bonus Period.

New Client - Someone who has never placed an order through an independent **OPTAVIA** Coach or with **OPTAVIA**.

New Coach - Someone who has never purchased an **OPTAVIA** Coach Business Kit.

Ordering Entity - Any Frontline/Level 1 Client or Coach with positive Personal Qualifying Volume (PQV) in a Monthly Bonus Period or a Coach Team with positive Group Qualifying Volume (GQV) in a Monthly Bonus Period.

Personal Compensation Volume (PCV) - The combined Compensation Volume (CV) for an individual in the given period (weekly or monthly). Personal Compensation Volume is NOT included in a Coach's Frontline Compensation Volume (FCV) or Group Compensation Volume (GCV) since a Coach is always considered to be a Client of his/her sponsor. Coaches (and any applicable Co-Applicant) DO NOT receive compensation for their personal orders or on their own PCV at all.

Personal Qualifying Volume (PQV) - The sum of the Qualifying Volume (QV) for an individual account in the given period (weekly or monthly). Personal Qualifying Volume (PQV) is not included in a Coach's Frontline Qualifying Volume (FQV) or Group Qualifying Volume (GQV), since a Coach is always considered to be a Client of his/her Sponsor. Coaches (and any applicable Co-Applicant) DO NOT receive credit for their personal orders or on their own PQV at all.

Presidential Director - A Coach who qualifies as an Executive Director and has ten (10) qualified Executive Director Teams in a Monthly Bonus Period.

Qualified - When a Coach meets all criteria for a specific rank or bonuses in the current Monthly Bonus Period.

Qualified Rank - A Coach will be paid in any Monthly Bonus Period based on the rank criteria they have achieved in that Monthly Bonus Period. Qualified rank is determined by actual performance for the month closing. E.g. Title rank in May = Global Director. Criteria met in May = Integrated National Director. Qualified rank in May (paid 15th June) = Integrated National Director.

Qualifying Point (QP) - A unit of measurement for qualification. As a Coach generates more Frontline Qualifying Volume (FQV) or Sponsors and grows Teams of qualified Senior Coaches, he or she becomes eligible to earn more Qualifying Points (QP). One (1) point is awarded for:

- Every 1,200 in Frontline Qualifying Volume (FQV) **OR**
- Every qualified Senior Coach Team

Qualifying Volume (QV) - The volume amount assigned to an item to determine rank and bonus qualification. Qualifying Volume (QV) is used to standardize the duplication model across market variations while ensuring that the level of effort for qualification remains the same across markets.

Recognition Title Rank - The highest rank a Coach has achieved in the Compensation Plan. Title rank is used for recognition purposes only. Recognition Title Rank is subject to maintenance requirements. Synonymous with Highest Rank Achieved or Title Rank.

Regional Director - Coach who qualifies as an Executive Director and has one (1) qualified Executive Director Team in a Monthly Bonus Period.

Senior Coach - A Coach who has at least 1,200 Group Qualifying Volume (GQV) in a Monthly Bonus Period from five (5) ordering entities.

Senior Coach Team - A unique Line of Business starting with the first qualified Senior Coach in depth. The first qualified Senior Coach in the Line of Business qualifies the team. (Senior Coach Teams DO NOT need to be personally sponsored or on a Coach's Frontline/Level 1).

Team Growth Bonuses - Additional incremental bonuses available to those who qualify as Senior Coach or higher in a Monthly Bonus Period and have Coaches with volume on their Team. Paid as incremental percentages of the Coach in depth's Group Compensation Volume (GCV) based on qualifying rank (both Coach and Team) down to the next qualifying Senior Coach or higher. Team Growth Bonuses are not paid on Frontline Compensation Volume (FCV) (covered in Client Support Bonuses) or Executive Director Teams (covered in Generation Bonuses).

Weekly Commission Period - Period for which Client Support Commissions are calculated. Begins at 12:00 AM PST on Monday and ends at 11:59 PM PST on Sunday.