

Independent OPTAVIA® Coach Agreement - Hong Kong

1. I understand that **OPTAVIA** (Hong Kong) Limited (hereinafter "**OPTAVIA**" or "Company") reserves the right to reject the application of any prospective independent **OPTAVIA** Coach ("**OPTAVIA** Coach" or "Coach") at its discretion.
2. I certify that:
 - a. I am at least 18 years of age;
 - b. I have never been convicted of, or plead no contest to, a criminal offense punishable by imprisonment of more than one year;
 - c. Neither myself nor my spouse is a current or former employee of Medifast, Inc. or any of its subsidiary and/or affiliate companies (unless I have received permission from the President, Coach and Client Experience); and
 - d. I am legally authorized to engage in the activities described in this Agreement.

I understand that, if I am unable to certify any of the aforementioned statements, I am ineligible to be an **OPTAVIA** Coach and that **OPTAVIA** may terminate my Independent **OPTAVIA** Coach Agreement and independent business.

3. If **OPTAVIA** accepts my application, I understand that:
 - e. I have the right to solicit orders for **OPTAVIA** products in accordance with these terms and conditions. I understand that it is within the exclusive right of **OPTAVIA** to accept or reject orders that I submit.
 - f. I have the right to sponsor applicants to become Coaches with **OPTAVIA**.
 - g. If qualified, I have the right to earn commissions pursuant to the **OPTAVIA** International Compensation Plan.
4. I agree to present the **OPTAVIA** International Compensation Plan and **OPTAVIA** products, programs and services as set forth in official **OPTAVIA** literature.
5. I agree that as an **OPTAVIA** Coach I am an independent contractor, and not an employee, partner, legal representative, or franchisee of **OPTAVIA**. I agree that I will be solely responsible for paying all expenses that I incur, including but not limited to travel, food, lodging, secretarial, office, long distance telephone, Internet and other business expenses. **I UNDERSTAND THAT I SHALL NOT BE TREATED AS AN EMPLOYEE OF OPTAVIA FOR TAX PURPOSES. OPTAVIA is not responsible for withholding, and shall not withhold or deduct from my bonuses and commissions, if any, taxes of any kind unless compelled to do so by law. I understand that I am not entitled to workers compensation, unemployment security benefits or other employee benefits of any kind from OPTAVIA.**
6. The **OPTAVIA** Policies, the Procedures, the **OPTAVIA** International Compensation Plan, and any applicable addenda to these terms and conditions, are incorporated into and made a part of these terms and conditions (these documents shall be collectively referred to as the "Agreement"). In addition, throughout the Agreement, **OPTAVIA** and the Coach may each be referred to as a "Party" and collectively as "Parties"). If I have not yet reviewed the Policies, the Procedures, the International Compensation Plan, and any applicable addenda at the time I execute this Agreement, I understand that they are posted in my **OPTAVIA** Back-Office ("**OPTAVIA** CONNECT") or are available on <https://COACHANSWERS-HK.OPTAVIA.com/help/>. I will review the Policies within five (5) days from the date on which I electronically or physically execute this Agreement. If I do not agree to the Policies or any other provisions of the Agreement, my sole recourse is to notify the Company and cancel my Independent **OPTAVIA** Coach Agreement within five (5) days of electronically or physically executing the Agreement. Failure to cancel constitutes my acceptance of the Agreement. I understand that I must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from **OPTAVIA**.

7. I understand that the Agreement may be amended at the sole discretion of **OPTAVIA**, and I agree to abide by all such amendments (“Amendments”). Amendment(s) shall become effective after being posted in **OPTAVIA CONNECT** or on <https://COACHANSWERS.OPTAVIA.com>, but amended Policies shall not apply retroactively to conduct that occurred prior to the effective date of the Amendment. The continuation of my **OPTAVIA** business or my acceptance of bonuses or commissions after the effective date of any Amendments shall constitute my acceptance of any and all Amendments.
8. The term of this Agreement is one (1) year from the date of enrollment (subject to prior cancellation pursuant to the Policies). If I do not renew my **OPTAVIA** business by paying the annual renewal fee, or if it is canceled or terminated for any reason, I understand that I will permanently lose all rights as an **OPTAVIA** Coach. I shall not be eligible to solicit orders for **OPTAVIA** products nor shall I be eligible to receive commissions, bonuses, or other income resulting from my activities or the activities of my former downline sales organization. **In the event of cancellation, termination or nonrenewal, I waive all rights I have, including but not limited to property rights, to my former downline organization and to any bonuses, commissions or other remuneration derived through the sales and other activities of my former downline organization.** **OPTAVIA** reserves the right to terminate all **OPTAVIA** Coach Agreements upon thirty (30) days’ notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels.
9. An **OPTAVIA** Coach may not assign his/her/its rights under the Agreement without the prior written consent of **OPTAVIA**. Any attempt to transfer or assign the Agreement without the express written consent of **OPTAVIA** renders the Agreement voidable at the option of **OPTAVIA** and may result in termination of the relevant Coach’s business.
10. I understand that if I fail to comply with the terms of the Agreement, **OPTAVIA** may impose upon me disciplinary sanctions as set forth in the Policies. **OPTAVIA** shall not be required to go through the Dispute Resolution Policy prior to issuing disciplinary action.
11. The Agreement, in its current form and as amended by **OPTAVIA** at its discretion, constitutes the entire contract between **OPTAVIA** and myself. Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.
12. Any waiver by either Party of any breach of the Agreement must be in writing and signed by an authorized agent of the Party against which the waiver is asserted. Any waiver of a breach by a Party shall be a one-time waiver only and shall not operate or be construed as a waiver of any subsequent breach.
13. If any provision of the Agreement is held to be invalid or unenforceable, such provision shall be severed, and the severed provision shall be reformed only to the extent necessary to make it enforceable. The balance of the Agreement will remain in full force and effect.
14. All disputes between the Parties shall be resolved pursuant to the Dispute Resolution Policy outlined in the **OPTAVIA** Policies.
15. The Agreement is personal to and is made solely for the benefit of the Parties to it and shall not create or give any rights to or purport to confer any benefits on any third parties whatsoever. The application of the Contracts (Rights of Third Parties) Ordinance and/or any comparable law in any jurisdiction giving to or conferring on third parties the right to enforce any term of the Agreement is expressly excluded and no terms of the Agreement are, or intended to be, enforceable by any person not being a Party to it. The rights of the Parties to terminate, rescind, or agree to any amendment, waiver, variation or settlement under or relating to the Agreement, or any term of the Agreement, are not subject to the consent of any third party.

16. I agree to release **OPTAVIA** and its affiliates from all liability arising from or relating to my promotion or operation of my **OPTAVIA** business and any activities related to it (e.g., the presentation of **OPTAVIA** products or International Compensation Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.), and agree to indemnify **OPTAVIA** for any liability, damages, fines, penalties, or other awards arising from any unauthorized conduct that I undertake in operating my business.
17. **A participant in this direct selling plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the company at its principal business address or via the Coach's Back-Office.**
18. If a Party wishes to bring an action against the other Party for any act or omission relating to or arising from the Agreement, such action must be brought within one (1) year from the date (i) on which the act or omission giving rise to the claim occurred, or (ii) on which the Party knows, or through reasonable diligence should know, of the conduct giving rise to the cause of action, whichever is later. Failure to bring such action within such time shall bar all claims against the other Party for such act or omission. **The Parties waive all claims that any other statute of limitations applies.**
19. I grant **OPTAVIA** an irrevocable license to reproduce and use my name, photograph, recording, video, image, personal story, testimonial, and/or likeness (collectively "image") in its advertising or promotional materials, including but not limited to use in on-line forums, and I waive all claims for remuneration for such use. I further waive my right to inspect or approve all draft, beta, preliminary, and finished images of me used by **OPTAVIA**.

OPTAVIA®

OFFICIAL POLICIES

HONG KONG

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SECTION 1 - GENERAL POLICIES

1.1 POLICIES, PROCEDURES & COMPENSATION PLAN INCORPORATED INTO THE INDEPENDENT **OPTAVIA** COACH AGREEMENT.

These Policies, in their present form and as amended at the sole discretion of **OPTAVIA** (Hong Kong) Limited (hereinafter, "**OPTAVIA**" or the "Company"), are incorporated into the Independent **OPTAVIA** Coach Agreement. Throughout these Policies, when the term "Agreement" is used, it collectively refers to the Independent **OPTAVIA** Coach Agreement, these Policies, the Procedures, the **OPTAVIA** International Compensation Plan ("Compensation Plan") (applicable to the Hong Kong market) and the **OPTAVIA** Business Entity Addendum (the Business Entity Addendum is only applicable to **OPTAVIA** Coaches who enroll as a Business Entity (as defined in Policy 3.13)). An Independent **OPTAVIA** Coach shall be referred to herein as an "**OPTAVIA** Coach" or "Coach". It is the responsibility of each Coach to read, understand, adhere to, and ensure that he/she is aware of and operating under the most current version of these Policies.

1.2 AMENDMENTS.

The Company reserves the right to amend the Agreement at its sole discretion (any such amendments shall hereinafter be referred to as "Amendments"). Amendments shall be effective after publication of the amended provisions in Coaches' Back-Offices or **OPTAVIA**'s corporate sites, but amended Policies shall not apply retroactively to conduct that occurred prior to the effective date of the Amendment. The continuation of a Coach's business or a Coach's acceptance of bonuses or commissions constitutes acceptance of any and all Amendments.

1.3 POLICIES & PROVISIONS SEVERABLE.

If any provision of the Agreement, in its current form, or as amended, is held void or unenforceable, only the void or unenforceable portion(s) of the provision shall be severed from the Agreement and the remaining provisions shall remain in full force and effect. The severed provision shall be reformed so that it is in compliance with the law and reflects the purpose of the original provision as closely as possible.

1.4 NOTICES.

Any notice or other written communication required under this Agreement shall be delivered personally, by e-mail or mail. Unless otherwise provided in the Agreement, such notice shall be deemed given when delivered personally or, if transmitted by e-mail, one (1) day after the date of such e-mail or, if mailed, five (5) days after the date of mailing to the address of **OPTAVIA**'s principal place of business or to the Coach's address. Notice to a Coach will be mailed to his or her address or e-mail address of record with the Company. **OPTAVIA** shall have the right, as an alternative method of notice, to use communications via the Coach's Back-Offices or corporate websites or other normal channels of mass communications with its field of Coaches. This provision does not apply to notices of Amendments to the Policies, which are effective upon posting as described in Policy 1.2. It is the sole responsibility of the Coach to maintain their correct address, e-mail address, phone number and other contact information on file with **OPTAVIA**.

1.5 FORCE MAJEURE.

OPTAVIA shall not be responsible for delays or failure in performance caused by circumstances beyond the Company's control, such as, but not limited to, strikes, labor difficulties, product shortages, energy or fuel shortages, fire, war, acts of terrorism, government decrees, natural disasters, inclement weather, or orders of curtailment of **OPTAVIA**'s usual source of supply.

1.6 WAIVER.

Neither Party ever gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of the **OPTAVIA** business. No failure of either Party to exercise any right or power under the Agreement or to insist upon strict compliance with any obligation or provision of the Agreement, and no custom or practice of the Parties at variance with the terms of the Agreement, will constitute a waiver of the Party's right to demand exact compliance with the Agreement. Waiver can only be effectuated in writing by an authorized officer of the Company or by the Coach or their authorized agent. Either Party's waiver of any particular breach will not affect or impair either Party's rights with respect to any subsequent breach, nor will it affect in any way the rights or obligations of any other Coach. In addition, no delay or omission by **OPTAVIA** to exercise any right arising from a breach will affect or impair **OPTAVIA**'s rights as to that or any subsequent breach. The existence of any claim or cause of action of a Party against the other will not constitute a defense to the enforcement of any term(s) or provision(s) of the Agreement.

SECTION 2 - BECOMING AN INDEPENDENT OPTAVIA COACH

2.1 COACH ELIGIBILITY.

There are a few requirements to become an independent **OPTAVIA** Coach. The individual must: (a) be at least 18 years of age; (b) have a valid Hong Kong ID Number, Business Registration Certificate Number or any other relevant identity document number; and (c) have legal residence in Hong Kong. See the **OPTAVIA** Procedures for Details on Enrolling as an Independent **OPTAVIA** Coach.

2.2 HEALTH PROFESSIONAL **OPTAVIA** COACHES.

Many independent **OPTAVIA** Coaches are also health professionals, including physicians, chiropractors, nurses, and other individuals who are medically licensed. **OPTAVIA** Coaches who are also health professionals are subject to the same rules, regulations, and Policies as all independent **OPTAVIA** Coaches. However, **OPTAVIA** Coaches who are health professionals should note that coaching with **OPTAVIA** does not involve the practice of medicine. **OPTAVIA** Coaches who are health professionals provide two distinct services to their clients ("Clients"). The first is medical care, which is not a part of the **OPTAVIA** program. The second is coaching. **OPTAVIA** Coaches who are health professionals must differentiate between any medical service they provide to patients and coaching that they provide to Clients. It is strongly advised that **OPTAVIA** Coaches who are health professionals inform patients who are prospective Clients that they are financially compensated as an **OPTAVIA** Coach. An **OPTAVIA** Coach is not a substitute for a physician or a qualified medical practitioner for monitoring patients using **OPTAVIA** products and/or programs and must not be portrayed as such.

2.3 COMPANY DISCRETION.

The Company reserves the right to accept or reject any Coach enrollment at its sole and absolute discretion.

2.4 ONE INDIVIDUAL PER **OPTAVIA** COACH BUSINESS.

Only one individual may apply for an **OPTAVIA** business and submit an Independent **OPTAVIA** Coach Agreement to the Company. If the individual wants to operate an **OPTAVIA** business with their spouse, please see the Policy on Married Couples (Policy 2.6). If more than one individual wants to participate in an **OPTAVIA** Coach business together, then those individuals must create a Business Entity, please see the Policy on Business Entities (Policy 3.22).

2.5 LIMITATIONS ON **OPTAVIA** COACH & HOUSEHOLD BUSINESSES.

Coaches may own, operate, control, or have an interest in, only one **OPTAVIA** business, and there may be only one **OPTAVIA** business in a Household. A "Household" is defined as spouses and dependent children of one or both spouses, living in the same home of the spouses. Exceptions to the one business per Household and per Coach Policy are:

- a. Marriage. If two Coaches marry, each will be permitted to retain their original businesses;
- b. Licensed Healthcare Industry and Health Professional **OPTAVIA** Coaches. Professional businesses in the healthcare industry that require a license issued by the government (e.g., surgical centers, medical group practices, and chiropractic offices) may own an independent **OPTAVIA** Coach business. Health Professionals who have an ownership interest in a healthcare business may own an independent **OPTAVIA** Coach business in addition to the **OPTAVIA** Coach business owned by the professional healthcare business in which they hold an ownership interest, however, both businesses must share the same sponsor;
- c. Authorized Purchase of an **OPTAVIA** Coach Business. If an existing **OPTAVIA** Coach is authorized by the Company to acquire another **OPTAVIA** Coach's business, in compliance with the Business Transfer Policy, the acquiring Coach may own his/her original business and the business which he/she acquired; and
- d. Inheritance. If an existing Coach is the beneficiary of an **OPTAVIA** business pursuant to a will or probate, and the transfer is effected on or after the death of the testator, the existing Coach may operate multiple **OPTAVIA** businesses. An intervivos transfer (i.e., a transfer made while the transferor Coach is still living) of an **OPTAVIA** business to an existing Coach is not permissible unless the testator is adjudicated to be mentally or physically incapacitated such that he/she is incapable of operating or managing his/her **OPTAVIA** business.

2.6 MARRIED COUPLES.

Married couples that wish to become **OPTAVIA** Coaches are required to operate as a single **OPTAVIA** business under a single Hong Kong ID Card Number. If the spouse of an existing Coach wishes to become an **OPTAVIA** Coach, he/she must agree to the terms and conditions of the Independent **OPTAVIA** Coach Agreement and then can be added to the spouse's existing **OPTAVIA** Coach business. Only a spouse can be added to an existing **OPTAVIA** Coach business. Spouses include those individuals bound by a marriage, civil union, domestic partnership or common-law marriage. Should one or more individuals wish to operate a single **OPTAVIA** Coach business, then those individuals must create a Business Entity. Spouses will be treated as one business for recognition purposes with the exception that each spouse must take the certification training and pass the exam to be recognized as an "Independent Certified **OPTAVIA** Coach." If only one spouse takes the training and passes the exam, only that spouse will be recognized as an "Independent Certified **OPTAVIA** Coach." See the **OPTAVIA** Procedures for Details on Enrolling as a Married Couple.

2.7 TERM & RENEWAL OF THE **OPTAVIA** COACH AGREEMENT.

The term of the Independent **OPTAVIA** Coach Agreement is one (1) year from the date of enrollment and must be renewed annually. Failure to renew an **OPTAVIA** business results in the account being converted to "Client" status, forfeiture of commissions and bonuses and the loss of the Coach's downline organization, which will "roll-up" to the Coach's sponsor ("Sponsor") (a Coach's Sponsor is sometimes referred to as a "Business Coach"). Should the individual wish to be reinstated as an **OPTAVIA** Coach, he/she may do so, subject to certain time frames and conditions. See the **OPTAVIA** Procedures for Details on Renewal and Reinstatement of an **OPTAVIA** Coach business.

2.8 **OPTAVIA** COACH INFORMATION.

Coaches must supply the Company with a valid mailing, e-mail address, and phone number for communication purposes (pursuant to the terms of the Agreement, the Coach consents to being contacted by the Company regarding their **OPTAVIA** Coach business). Each Coach is responsible for keeping their information (name, address, phone number, e-mail address, etc.) up to date and accurate and must immediately update the Company on any changes concerning this information. The Company may terminate an **OPTAVIA** Coach business if the Company determines false or inaccurate information was provided by the Coach. If a Coach fails to update their information (including any information on a Business Entity Addendum), holds may be placed on his/her account or other disciplinary action may be taken, up to and including termination. In addition, the Company will not be held responsible for communications and/or information not received by Coaches due to failure to update information on their account or on the Business Entity Addendum. See the **OPTAVIA** Procedures for Details on Updating **OPTAVIA** Coach Information.

2.9 INDEPENDENT CONTRACTOR RELATIONSHIP.

OPTAVIA Coaches are independent contractors and not employees of **OPTAVIA**, and must never hold themselves out as employees of the Company. **COACHES SHALL NOT BE TREATED AS EMPLOYEES OF OPTAVIA FOR TAX PURPOSES OR FOR ANY OTHER REASON.** **OPTAVIA** will not withhold taxes or withholdings of any nature from Coaches' earnings. Coaches are not entitled to workers compensation or unemployment security benefits or other employee benefits of any kind from **OPTAVIA**. Likewise, the Company does not provide insurance or any other benefits to Coaches.

SECTION 3 - OPERATING AN INDEPENDENT **OPTAVIA** COACH BUSINESS

3.1 GENERAL CONDUCT.

Coaches shall not engage in any conduct that may damage the Company's reputation. While it is impossible to specify all misconduct that would be contrary to this Policy, and the following list is not a limitation on the standards of conduct to which Coaches must adhere pursuant to this Policy, the following standards specifically apply to Coaches' activities:

- a. Coaches must conspicuously identify themselves as an "Independent **OPTAVIA** Coach" or an "Independent Coach with **OPTAVIA**" in all advertising, telephone directory listings, promotional material, social media postings, and other forums in which they promote **OPTAVIA**'s products, programs, services and/or the **OPTAVIA** business opportunity. Merely identifying oneself as an "**OPTAVIA** Coach" is not sufficient under the terms of this Policy;
- b. Certified Coaches may include the term "Independent Certified **OPTAVIA** Coach" when identifying themselves, if they have passed the required certification exam;
- c. Deceptive conduct is always prohibited. Coaches must ensure that their statements are truthful, fair, accurate, and not misleading;
- d. If a Coach's **OPTAVIA** business is canceled for any reason, the Coach must discontinue using the **OPTAVIA** name, and all other names, trademarks, and other intellectual property belonging to **OPTAVIA**, and all derivatives of such intellectual property, in postings on all social media, and other material, promotional or otherwise;
- e. Coaches must not engage in any illegal, fraudulent, deceptive, or manipulative conduct in the course of their business or their personal lives that, in the Company's sole discretion, could damage the Company's reputation or the culture that exists within the independent field sales force.
- f. Coaches must be aware of and familiar with the provisions of the U.S. Foreign Corrupt Practices Act and all local applicable anti-bribery and anti-corruption laws, including, but not limited to the Prevention of Bribery Ordinance. Coaches must conduct their businesses in compliance with the terms of these laws. In particular, Coaches must not promise, offer, authorize, agree to make, or actually make a payment of any item of value, directly or indirectly, to any government official in connection with the Coach's **OPTAVIA** business. Should Coaches need additional information concerning the U.S. Foreign Corrupt Practices Act, they may email hkcompliance@OPTAVIA.com.

3.2 FIELD TRAINING MATERIALS.

Coaches may develop and/or use their own training tools and materials to support their personally sponsored Coaches or others in their downline organization (hereinafter, "Field Training Materials") so long as such Field Training Materials do not violate any of the **OPTAVIA** Policies, Procedures, laws, regulations, or statutes and conform with Policies 3.2.a. and 3.2.b. below. Coaches may not sell any Field Training Materials or accept donations or gratuities in exchange for providing training and/or Field Training Materials. Coaches may not develop, produce or distribute tools or materials that are confusingly similar in nature to those produced, published and provided by **OPTAVIA**, and may not imply or suggest that such Field Training Materials originate from **OPTAVIA** or are endorsed by **OPTAVIA**. Field Training Materials should

only be used by Coaches to train their personally sponsored Coaches or others in their downline organization. Coaches are prohibited from creating their own website, social media page or other web-based platform to distribute Field Training Materials to other Coaches.

- a. Field Training Materials Disclaimer. The following disclaimer must conspicuously appear on all Field Training Materials: "THIS FIELD TRAINING MATERIAL HAS BEEN PRODUCED BY <INSERT NAME OF COACH>, AN INDEPENDENT **OPTAVIA** COACH, AND IS NOT OFFICIAL MATERIAL PREPARED OR PROVIDED BY **OPTAVIA**." In addition, if the Field Training Materials discuss or mention the **OPTAVIA** Compensation Plan or income opportunity, the Field Training Materials must also include the following disclaimer: THERE ARE NO GUARANTEES REGARDING INCOME WITH **OPTAVIA**. SUCCESS WITH **OPTAVIA** RESULTS FROM SUCCESSFUL SALES EFFORTS, WHICH REQUIRE HARD WORK, DILIGENCE, SKILL, PERSISTENCE, COMPETENCE AND LEADERSHIP. PLEASE SEE THE **OPTAVIA** INCOME DISCLOSURE STATEMENT (<http://bit.ly/idsOPTAVIA>) FOR STATISTICS ON ACTUAL EARNINGS OF U.S. BASED COACHES."
- b. Additional Requirements for Field Training Materials. In addition to compliance with Policy 3.2.a., should the Field Training Materials discuss or mention the **OPTAVIA** Compensation Plan, or income opportunity, the Coach must include a copy of the **OPTAVIA** Income Disclosure Statement ("IDS") (please see a copy of the **OPTAVIA** IDS attached as Appendix B to these Policies). Field Training Materials created to train a Coach's downline are not required to be reviewed by the Company, so long as the Field Training Materials are in compliance with these Policies. However, should the Coach have any doubt concerning whether or not the Field Training Materials are in compliance with all relevant **OPTAVIA** Policies, the Coach should submit same to the **OPTAVIA** Compliance Department for review. See the **OPTAVIA** Procedures for Details on Submitting Field Training Materials to the Compliance Department.
- c. Rights of Company Regarding Field Training Materials. **OPTAVIA** reserves the right to rescind any previous authorization that was given in connection with Field Training Materials. Upon notice of such rescission, each independent **OPTAVIA** Coach agrees to immediately cease using such Field Training Materials. COACHES WAIVE ANY CLAIM FOR DAMAGES OR REMUNERATION FOR ANY LOSSES THAT THEY MAY INCUR RESULTING FROM OR RELATING TO THE COMPANY'S DECISION TO RESCIND ITS PRIOR APPROVAL.

3.3. PRODUCT LIABILITY CLAIMS & INDEMNIFICATION.

- a. Product Liability Insurance. The Company carries product liability insurance for those products that are faulty, defective or otherwise subject to recall. This coverage does not include the actions of Coaches in promoting the products, programs, or business opportunity.
- b. Indemnification for Product Liability Claims. In the event of a product liability claim brought against a Coach by a third party for a defective product or for injury from use of a product, the Company will indemnify and defend the Coach from such claims, subject to the limitations specified in Policy 3.3.c below.
- c. Requirements for Indemnification. In order to be indemnified for product liability claims, the Coach must notify the Company of the claim in writing within ten (10) days of receipt of notice of the claim. The Company has no obligation to indemnify the Coach if he/she has: (a) violated the Agreement; (b) made claims or given instructions about the products which are not included in the Company's current approved literature, warnings, or product labels; or (c) settled or attempted to settle a claim without the Company's written approval. In addition, indemnification is conditioned upon the Coach allowing the Company to assume the sole defense of the claim.
- d. Indemnification by Coach. The Coach agrees to indemnify the Company from any claim made by a third party that arises directly or indirectly because he/she has: (a) violated the Agreement; or (b) made claims or given instructions about the products which are not included in the Company's current approved literature, warnings, or product labels.

3.4 INSURANCE.

- a. Business Pursuits Coverage. While the Company carries product liability insurance in the event of claims for faulty or defective products, the Company suggests that Coaches secure additional liability insurance to cover any business exposure for which they may be liable in the independent marketing or advertising of any products, programs or the **OPTAVIA** business opportunity.
- b. Travel Liability. Coaches understand and accept any and all travel-related risks in regard to their business. Coaches are encouraged to secure travel insurance as related to their business.
- c. Other Insurance. The Company does not provide health insurance, disability insurance, event insurance, professional liability insurance, malpractice insurance, business property coverage, or any other type of insurance to Coaches.

3.5 COMPENSATION.

The Company compensates Coaches through its Compensation Plan. Compensation is determined proportionally based on sales of products to end-user consumers within the Coach's organization. Sponsoring new Coaches leverages and expands a Coach's business and provides additional persons marketing the Company's products, programs and services to Clients, however, no compensation is paid to Coaches under the Compensation Plan for the sponsoring of Coaches. Coaches are never compensated on their personal order; a Coach's personal order is always credited to the Sponsor/Business Coach of that Coach. A Coach is always the client of their Sponsor/Business Coach, to that end, a Coach is prohibited from setting up an additional client account to place orders.

3.6 TAXES.

- a. Payment of Taxes. All Coaches are personally responsible for all taxes due on any income they earn. The Company will provide a record of all moneys paid to each Coach and will issue and file such reports as may be required by law.
- b. Sales Tax. If required by law, the Company may charge appropriate tax on any orders which are subject to such tax and submit it to the necessary government bodies.

3.7 NON-SOLICITATION (PARTICIPATION IN OTHER BUSINESS OPPORTUNITIES AND DIRECT SELLING PROGRAMS).

As independent contractors, Coaches may engage in other business interests and opportunities outside of their independent **OPTAVIA** Coach business, provided that they comply with the terms of these Policies, including, without limitation, the specific limitations provided in this non-solicitation Section.

- a. Definitions.
 - i. Competing Business(es). A Competing Business is a business that sells Competing Goods or Services ("Competing Business").
 - ii. Competing Good(s) or Service(s). Competing Goods or Services are any goods or services that are in the same generic category as any good(s) or service(s) offered by **OPTAVIA**, regardless of differences in cost, quality, ingredients, functionality, service, or other distinguishing factors. By way of example, and not limitation, any goods or services related to health and wellness are considered competing goods or services ("Competing Goods or Services").
 - iii. Direct Selling Program. A Direct Selling Program is any business that meets each of the following criteria ("Direct Selling Program"):
 1. The business sells memberships, goods or services through independent contractors;
 2. The independent contractors are authorized to recruit, sponsor or enroll other independent contractor salespersons into the business or to submit persons or entities to the business for consideration as independent contractor salespersons; and
 3. Independent contractor salespersons are compensated in whole or in part on sales of goods or services of those independent contractor salespersons that they, or other independent contractor salespersons, are personally sponsoring and mentoring.
 - iv. Non-Competing Business(es). A Non-Competing Business is a business that sells good(s) or service(s) that do not compete with or are not in the same generic category as the good(s) or service(s) offered by **OPTAVIA** ("Non-Competing Business").
- b. Other Direct Selling Programs. **OPTAVIA** Coaches may not participate in any Direct Selling Program that sells Competing Goods or Services. **OPTAVIA** Coaches are free to participate in other Direct Selling Programs that do not sell Competing Goods or Services ("Other Direct Selling Programs"), however, Coaches can only promote these Other Direct Selling Programs, their goods, services or the business opportunity to their personally sponsored downline. In addition, for twelve (12) calendar months after the termination of the Agreement, Coaches may not directly or indirectly sponsor Clients or other **OPTAVIA** Coaches, in another Direct Selling Program, with the exception of their personally sponsored downline. The term "sponsor" means the direct or indirect, actual or attempted, sponsorship, solicitation, enrollment, encouragement, or effort to influence in any other way, another **OPTAVIA** Coach or Client to enroll or participate in another Direct Selling Program. Coaches participating in Other Direct Selling Programs must also comply with all other specific restrictions in this non-solicitation Section.
- c. Specific Restrictions on Coaches Promoting Competing Businesses or Other Direct Selling Programs on **OPTAVIA** Social Media. **OPTAVIA** Coaches who engage in a Competing Business or Other Direct Selling Program must not, directly, indirectly or through a third party:
 - i. Use any social media account (e.g., Facebook, Twitter, LinkedIn, YouTube, Pinterest, WhatsApp, WeChat or Instagram, etc.) that the Coach currently uses or has used in the past to promote or discuss **OPTAVIA**, its products, programs, services or the business opportunity ("**OPTAVIA** Social Media"), to promote a Competing Business or Other Direct Selling Program. If a Coach is involved in a Competing Business or Other Direct Selling Program, the Coach must create a separate social media account to promote the Competing Business or Other Direct Selling Program. Coaches are also prohibited from "cross-posting" from their Competing Business or Other Direct Selling Program social media account on to the Coach's **OPTAVIA** Social Media and vice versa.
- d. Additional Restrictions on Coaches Promoting Other Businesses. Additional restrictions apply to **OPTAVIA** Coaches who engage in not only a Competing Business or Other Direct Selling Program but also a Non-Competing Business. Competing Businesses, Other Direct Selling Programs and Non-Competing Businesses will collectively be referred to herein as "Other Businesses." Coaches who operate Other Businesses must not directly, indirectly or through a third party:
 - i. Promote the Other Business on any Coach "Team" social media page (pages that have been created by **OPTAVIA** Coaches to support their Coach Organization/Team or pages that have been created to support **OPTAVIA** Clients), for example, a Facebook "Group Page" for a Team of independent **OPTAVIA** Coaches;
 - ii. Use his/her replicated **OPTAVIA** website to promote the Other Business;

- iii. Use Confidential Information (as defined in Section 3.8) to promote the Other Business;
 - iv. Use “**OPTAVIA** Connect” resources, reporting or any other functionality, including, but not limited to, “**OPTAVIA** Share,” to promote the Other Business;
 - v. Display **OPTAVIA** promotional material, sales aids, or products with or in the same location as any promotional material, sales aids, products or services of the Other Business, in a fashion that might in any way confuse or mislead a prospective Client or Coach, or member of the public into believing there is a relationship between **OPTAVIA** and the Other Business;
 - vi. Offer the **OPTAVIA** opportunity, products, programs or services to prospective or existing Clients or Coaches in conjunction with the opportunity, products, programs, or services of the Other Business;
 - vii. “Bundle” or combine the products, programs, or services of the Other Business for sale or advertisement with any **OPTAVIA** products, programs or services;
 - viii. Offer, discuss, or display any opportunity, products, programs, or services of the Other Business at or immediately after any **OPTAVIA**-related meeting, seminar, convention, webinar, teleconference, training or other function (“Event”), regardless of whether the Event is an **OPTAVIA** corporate-sponsored Event or an Event led by an independent **OPTAVIA** Coach.
- e. Complementary Businesses. Some businesses that may be “complementary” to **OPTAVIA** could be deemed a Competing Business (e.g., a personal training business, gym or yoga studio, etc.) (“Complementary Business”). So long as the Coach complies with all other provisions under these Policies, including this non-solicitation Policy, Policy 3.10 (forbidding Coaches from carrying inventory for resale) and Policy 5.9 (forbidding Coaches from selling products in a Retail Outlet), etc., Coaches may offer the **OPTAVIA** opportunity, products, programs or services to prospective or existing customers of these Complementary Businesses. However, the Coach must not condition the sale or use of their Complementary Business services on the purchase of **OPTAVIA** products, including, but not limited to, offering discounted services to prospective or existing customers of their Complementary Business who purchase **OPTAVIA** products or vice versa.
 - f. Health Professional Practices. A health professional practice could also be deemed a Competing Business, however, so long as those **OPTAVIA** Coaches, who also have a health professional practice (e.g., a chiropractic clinic, doctor’s office, etc.) (“Health Professional Practice”) comply with all other provisions under these Policies, including this non-solicitation Policy, Policy 2.2 (general Policies governing Health Professional **OPTAVIA** Coaches), Policy 3.10 (forbidding Coaches from carrying inventory for resale) and Policy 5.9 (forbidding Coaches from selling products in a Retail Outlet), etc., these Coaches may offer the **OPTAVIA** opportunity, products, programs or services to prospective or existing patients of their practices. However, the Coach must not condition the use of their Health Professional Practice on the purchase of **OPTAVIA** products, including, but not limited to, offering discounted services to prospective or existing patients or clients of their Health Professional Practice who purchase **OPTAVIA** products or vice versa.
 - g. Injunctive Relief. **OPTAVIA** and the Coach agree that any violation of this non-solicitation Policy shall cause **OPTAVIA** irreparable harm for which there is no adequate remedy at law, and if emergency equitable relief is not granted to **OPTAVIA**, the injury to **OPTAVIA** shall outweigh the potential injury to the Coach. Therefore, **OPTAVIA** shall be entitled to seek emergency and permanent injunctive relief to prevent further violations of this Policy.

3.8 CONFIDENTIAL INFORMATION.

“Confidential Information” constitutes proprietary business trade secrets belonging exclusively to **OPTAVIA** and is provided to Coaches in strict confidence. Confidential Information shall not be directly or indirectly disclosed to any third party nor used for any purpose other than a Coach’s use in building and managing their independent **OPTAVIA** business.

- a. Definition of Confidential Information. Confidential Information includes, but is not limited to, the identities, contact information, and/or sales information relating to **OPTAVIA**’s Coaches and/or Clients:
 - i. That is contained in or derived from any Coaches’ respective Back-Office;
 - ii. That is derived from any reports issued by **OPTAVIA** to Coaches to assist them in operating and managing their **OPTAVIA** business; and/or
 - iii. To which a Coach would not have access or would not have acquired but for his/her affiliation with **OPTAVIA**.
- b. Injunctive Relief. **OPTAVIA** and the Coach agree that any violation of this Policy shall cause **OPTAVIA** irreparable harm for which there is no adequate remedy at law and if emergency equitable relief is not granted to **OPTAVIA**, the injury to **OPTAVIA** shall outweigh the potential injury to the Coach. Therefore, **OPTAVIA** shall be entitled to emergency and permanent injunctive relief to prevent further violations of this Policy.

3.9 HANDLING PERSONAL INFORMATION.

Personal information is information that identifies, or permits one to contact an individual. It includes a Client’s, potential Client’s, Coach’s and prospective Coach’s name, mailing address, e-mail address, phone number, credit card information, and other information associated with these details. Coaches who receive personal information from or about prospective Coaches or Clients have the responsibility to maintain its security. Coaches should shred or irreversibly delete the personal information of others once it is no longer needed. In addition, information regarding a Client’s or **OPTAVIA** Coach’s experience with Company products and/or programs cannot be revealed without his/her written permission; this includes use of personal testimonials.

3.10 PRODUCT INVENTORY.

Coaches may not carry an inventory of **OPTAVIA** products for resale (including but not limited to resale to other Coaches). All products are direct-shipped from the Company to the buyer. Therefore, Coaches should not purchase more products in a month than they and/or their family can reasonably expect to consume during the month.

3.11 BONUS OR RANK BUYING.

Bonus and/or rank buying (collectively, "bonus buying") is strictly prohibited. Bonus buying is the purchase of products for any reason other than bona fide use by end-user consumers or limited sampling at trade shows and includes any mechanism or artifice to qualify for rank advancement or maintenance, incentives, prizes, commissions or bonuses that are not driven by bona fide product purchases by end-user consumers for actual use.

3.12 PAYMENT & CREDIT CARD USAGE.

If a credit/debit card or other payment instrument is used to pay for products, it must be the credit/debit card or other payment instrument of the individual who is ordering the product for their personal and/or family use. Coaches may not use another Coach's or Client's credit/debit card, or other payment instrument to place an order, nor may a Coach use their own credit/debit card or other payment instrument to place an order on behalf of another Coach or Client. Coaches may not accept cash from Clients to place an order. The Company does not accept cash. Coaches facilitate Client orders either through their replicated **OPTAVIA** websites, or through assisting the Client with placing telephone orders. Coaches should not place the orders for the Clients themselves. All other forms of sales or orders are prohibited.

3.13 ACTIONS OF AFFILIATED PARTIES & HOUSEHOLD MEMBERS.

The term "Affiliated Party" shall mean any individual, partnership, trust, limited liability company, or other entity that has an equitable or ownership interest in, or management responsibility for a Business Entity. The term "Business Entity" shall mean any corporation, partnership, limited liability company, trust or other entity that owns or operates an independent **OPTAVIA** Coach business. A Business Entity and each Affiliated Party must comply with the Agreement. If a Business Entity and/or any Affiliated Party violates the Agreement, **OPTAVIA** may take disciplinary action against the Business Entity and/or against any or all of the Affiliated Parties. In addition, if a Household family member of a Coach engages in conduct that would be a violation of the Agreement, the conduct of the Household family member may be imputed to the Coach (i.e., the Coach may be held responsible for the conduct of the Household family member).

3.14 NEGATIVE COMMENTS.

Complaints and concerns about **OPTAVIA** should be directed to the Coach Support Team. Coaches must not disparage, demean, or make negative remarks to third parties or other Coaches or Clients about **OPTAVIA**, its owners, officers, directors, management or employees, other Coaches or Clients or the Compensation Plan. Violation of this Policy may subject the Coach to potential disciplinary action, up to and including termination.

3.15 REPORTING POLICY VIOLATIONS.

One of our Company's most valuable assets is its integrity, therefore, the Company takes protecting this asset very seriously. To that end, we have established a Procedure whereby Coaches who observe Policy violations in the field should report the situation to the Company. The Company will review, research and handle these matters as the Company deems appropriate. See the **OPTAVIA** Procedures for Details on how to Report Policy Violations.

3.16 ADJUSTMENTS TO BONUSES & COMMISSIONS.

If a product is returned to **OPTAVIA** for a refund or is repurchased by the Company, or a credit card chargeback occurs, the compensation attributable to the returned or repurchased product(s) will be recovered by the Company from the Coach.

3.17 RETURN OF PRODUCTS, BUSINESS KITS & BUSINESS SUPPORT MATERIALS UPON CANCELLATION OR TERMINATION.

Upon voluntary cancellation or termination of an Independent **OPTAVIA** Coach Agreement, the Coach may return their Business Kit and any Company-produced Business Support Materials that he or she personally purchased from **OPTAVIA** within twelve (12) months from the Coach's date of purchase so long as the goods are in currently marketable condition. Any Business Support Materials that are produced by a third party, i.e. non-Company produced, shall not be subject to this return Policy (please note, all products sold at www.OPTAVIAGEAR.com are produced by a third party). Upon the Company's receipt of returned goods and/or Business Support Materials and confirmation that they are in currently marketable condition, the Coach will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are in "currently marketable condition" if they are unopened and unused and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, is not in currently marketable condition. The merchandise must be returned within thirty (30) days from the date of the Coach's cancellation/termination.

For the avoidance of doubt, the above return Policy shall be subject to any statutory rights of Coaches (including the right to return any merchandise which is not of merchantable quality) under the Sales of Goods Ordinance or any other applicable laws.

See the **OPTAVIA** Procedures for Return Details Upon Cancellation or Termination of an **OPTAVIA** Coach Business.

3.18 ORDER RETURNS & REFUNDS.

OPTAVIA's return and refund policies vary between products and are published on **OPTAVIA**'s corporate website. See the **OPTAVIA** Procedures for Details on Order Returns and Refunds.

3.19 DISCIPLINARY SANCTIONS.

Violation of the Agreement, any material misrepresentation of the Agreement, any illegal, fraudulent, deceptive or unethical business conduct, or any act or omission by a Coach that the Company reasonably believes may damage its reputation or goodwill, or which results in or is designed to manipulate the Compensation Plan or any incentive offered by the Company, may result in the suspension or termination of the Coach's **OPTAVIA** business, and/or any other measure that **OPTAVIA** deems appropriate to address the misconduct, including, but not limited to the following:

- a. Issuance of a written warning;
- b. Requirement of the Coach to take immediate corrective action;
- c. Clawing back commissions;
- d. Imposition of a fine, which may be withheld from commissions;
- e. Restriction of Back-Office access;
- f. Loss of rights to one or more bonus and commission checks;
- g. Withholding of all or part of any bonuses and commissions during the investigation period (if a Coach's Agreement is canceled for disciplinary reasons, the Coach will not be entitled to recover any commissions or bonuses withheld during the investigation period);
- h. Suspension of the Coach's business with loss of earnings;
- i. Reassignment of Clients or Coaches to another Coach;
- j. Termination of the Coach's business;
- k. Equitable resolution by any other measure the Company deems appropriate to resolve the injuries caused by the Coach's violation or contractual breach.

In situations deemed appropriate by **OPTAVIA**, the Company may institute legal proceedings for monetary and/or equitable relief. Upon imposition of a disciplinary sanction(s), the Company shall immediately notify the Coach via the e-mail that the Coach has on file with the Company. The Company will also notify the Coach's Sponsor and first qualified Executive Business Leader. Individuals or Business Entities terminated for disciplinary reasons may not re-enroll as a Coach. See the **OPTAVIA** Procedures for Details on Appealing Disciplinary Sanctions.

3.20 CANCELLATION OF AN **OPTAVIA** COACH BUSINESS.

"Cancellation" of a Coach's **OPTAVIA** business means the discontinuation of a Coach's **OPTAVIA** business for any reason, whether the cancellation is voluntary, involuntary (termination or otherwise), or via non-renewal. A Coach whose **OPTAVIA** business is canceled for any reason will lose all Coach rights, benefits, monetary compensation and privileges, including loss of his/her downline organization which will roll-up to the Coach's Sponsor. See the **OPTAVIA** Procedures for Details on Cancellation of an **OPTAVIA** Coach Business.

3.21 BUSINESS ROLL-UP.

If a Coach's **OPTAVIA** business is canceled for any reason (including termination), the Coach's downline organization, including personally sponsored Coaches and Clients, will "roll-up" to the Coach's Sponsor/Business Coach.

3.22 BUSINESS ENTITIES.

- a. Enrolling as a Business Entity. A Business Entity (e.g. limited liability company, corporation, partnership, etc.) may wish to enroll as an **OPTAVIA** Coach. A Business Entity may apply to become an **OPTAVIA** Coach by completing, signing, and returning a Business Entity Addendum, signed by all the participants in the Business Entity and purchasing a Business Kit, as well as complying with any other applicable legal requirements. All members of the Business Entity are required to comply with the terms of the Agreement. In addition, all participants in a Business Entity must meet the conditions to become an **OPTAVIA** Coach under the terms of these Policies (i.e., must be 18 years old, have a valid Hong Kong ID Number, have legal residence in Hong Kong, etc.). Please see the **OPTAVIA** Procedures for Details on Enrolling as a Business Entity.
- b. Changing to a Business Entity. An individual Coach who enrolled with **OPTAVIA** may wish to transfer his/her account to a Business Entity for the purpose of operating his/her business. If the Coach wishes to change his/her form of business from a sole proprietorship to a Business Entity, he/she may do so at any time. The individual must complete, sign and return a Business Entity Addendum to the Company, as well as comply with any other applicable legal requirements.

- c. Business Entity Commissions. All commissions and/or bonuses earned by the Business Entity will be issued in the name of the Business Entity. The Company will not have any liability to the Coach if the Business Entity or any participant in the Business Entity fails to allocate and pay any portion of any bonuses or commissions received by the Business Entity among the multiple participants in the Entity, or for any incorrect allocation and/or payment.
- d. Primary Participant. One member of the Business Entity will be designated as the Primary Participant and the Company may rely and act on any information provided by the Primary Participant.
- e. Dissolution of a Business Entity. In cases in which owners of a Business Entity elect to dissolve the Business Entity, and one of the owners advises the Company in writing that they are dissolving the Business Entity, the Coach who is listed as the Primary Participant on the account shall be responsible for fulfilling the obligations of the Business Entity until the Business Entity is fully dissolved and a formal dissolution agreement between the parties is reached that determines the disposition of the Business Entity. Subject to applicable laws, while the dissolution is proceeding, no owner may make changes to the business (e.g., change the payee, change the name of the business, etc.) until a formal dissolution agreement concerning the Business Entity is finalized. Subject to applicable laws, upon completion of the dissolution and/or the completion of **OPTAVIA's** Business Transfer Procedures, the Business Entity shall be transferred to the individual who receives the Business Entity pursuant to the dissolution agreement (or court order if the dissolution is contested). Please note that **OPTAVIA** is unable to split a Business Entity in two, or to divide a commission between multiple parties. Therefore, if the owners or former owners enter into an agreement, or are ordered by a court, whereupon it is incumbent on **OPTAVIA** to split the commission or divide the Business Entity, the business shall be canceled.

3.23 BUSINESS TRANSFER (SALE OF AN **OPTAVIA** COACH BUSINESS).

Coaches who have been paid at the rank of "Business Leader" or higher for six (6) of the preceding twelve (12) months may sell or transfer their business subject to obtaining **OPTAVIA's** prior written approval by the Company's "Policy Committee." It is within **OPTAVIA's** sole discretion whether to allow a business transfer or sale, but such authorization shall not be unreasonably withheld. However, no business that is on disciplinary probation, suspension, or under disciplinary investigation may be sold or transferred unless and until the disciplinary matter is resolved. A Coach wishing to sell or transfer his/her business ("Seller") must first give notice of his/her intention to sell or transfer the business to the Company and the Company has the right of first refusal to purchase said business, at the same terms/conditions and sale price as that offered to other eligible purchasers. The Company shall have seven (7) business days within which to exercise its right of first refusal. If the Company exercises its right of first refusal, the purchased business will "compress" or "roll-up." If the Company declines to purchase the business within such time, the Seller may then offer to sell or transfer the business to other parties eligible to purchase. If the business is sold or transferred to an existing Coach, the buying Coach ("Purchaser") must be at the rank of Business Leader or higher, for six (6) of the preceding twelve (12) months. The purchased **OPTAVIA** Coach business will be operated as a second business and remain in its current position in the line of sponsorship, if the purchaser is already a Coach with **OPTAVIA**. Mergers of **OPTAVIA** Coach businesses are not permitted. Coaches are prohibited from using a business transfer/sale to manipulate the Compensation Plan or any other incentive offered by the Company. See the **OPTAVIA** Procedures for Details on Business Transfers/Sales.

3.24 BUSINESS TRANSFER UPON DEATH.

A Coach may devise his/her business to his/her heirs via a will or other testamentary instrument. A Coach shall not use, or attempt to use a testamentary transfer as a means to circumvent the Business Transfer Policy (Policy 3.23). If the Company believes that a testamentary transfer is being used as a device to circumvent the Business Transfer Policy, the transfer shall be handled pursuant to the Business Transfer Policy and the corresponding Procedures. Unless a testamentary instrument says otherwise, upon the death of a Coach, the rights and responsibilities of the Coach business remain with the spouse, if said spouse is a partner in the business. If a spouse does not exist, the rights and responsibilities are passed on to the rightful heir(s), trustee(s), guardian(s) or conservator(s). The heir(s), trustee(s), guardian(s) or conservator(s) shall be required to contact the Company in writing and shall be bound by the terms and conditions of the Agreement. See the **OPTAVIA** Procedures for Details on Business Transfers upon Death.

3.25 BUSINESS DISTRIBUTION UPON DIVORCE.

In cases in which a couple that jointly operates an **OPTAVIA** Coach business divorce, and one of the spouses advises the Company in writing that they have filed for divorce, the Coach who is listed as the "Primary" on the account shall be responsible for fulfilling the obligations of the business until a divorce decree or order is entered and a court order rules on the disposition of the business (or the parties reach an agreement concerning the disposition of the business, as documented in writing, signed by both parties). Neither party may make changes to the business (e.g., change the payee, change bank account information, change the name of the business, etc.) until a final divorce decree or order is entered (or the parties reach an agreement concerning the disposition of the business, as documented in writing, signed by both parties). Upon entry of the divorce decree/order or reaching an agreement in writing (and the decree/order being provided to the Company), the business shall be transferred to the individual ordered by the court or as agreed to in writing by the parties. Please note that **OPTAVIA** is unable to split a business in two, or to divide a commission between two parties. Therefore, if the spouses or former spouses enter into an agreement, or are ordered by a court to split the commission or divide the business, the business shall be canceled. The spouse not assuming the **OPTAVIA** Coach business may enroll as a new Coach immediately under the Sponsor of his or her choice. See the **OPTAVIA** Procedures for Details on Business Transfers upon Divorce.

3.26 INTERNATIONAL ACTIVITIES.

Coaches are only authorized to promote Company products and programs, conduct events or trainings, and enroll Clients or Coaches in countries that it has officially announced are opened for its Direct Selling operations. Coaches may not conduct advertising, sponsoring, or business activities of any nature in any foreign country that the Company has not announced is officially opened for its Direct Selling business. Company products cannot be shipped into or sold in any other country or to anyone in a country where **OPTAVIA** is not currently opened for business.

SECTION 4 - SPONSORING

4.1 BUSINESS OPPORTUNITY.

OPTAVIA Coaches have the opportunity to grow their businesses beyond acquiring and supporting Clients by building an organization of Coaches. To do so, **OPTAVIA** Coaches can sponsor other individuals as Coaches and, if desired, help them do the same.

4.2 BECOMING A SPONSOR.

Sponsorship opportunities are available to all Coaches, however, sponsoring is only permitted where the Company has officially announced it is open for business. See the **OPTAVIA** Procedures for Details on Sponsoring.

4.3 SPONSOR BUSINESS RESPONSIBILITIES.

Sponsoring Coaches must use their best efforts to provide, on an ongoing basis, bona fide mentoring and training of sponsored Coaches and the Coaches within their organization. Coaches must maintain ongoing contact, communication, and mentoring within their organization. Examples of such mentoring and training may include, but are not limited to:

- a. Providing ongoing contact, communication, encouragement, and support of personally sponsored Coaches and those within their organization;
- b. Product, program, and coaching training;
- c. Encouragement and support;
- d. Written correspondence;
- e. Personal and/or virtual meetings;
- f. Telephone contact, voice mail, and/or e-mail;
- g. Accompanying individuals to the Company and/or field training sessions and meetings;
- h. Assisting Coaches to set goals and create business strategies, etc.

4.4 COMPANY-APPOINTED SPONSORS.

Anyone interested in becoming an **OPTAVIA** Coach, but who does not have a specific Sponsor will have one appointed by the Company. These individuals will be distributed as "Business Leads" to qualified Sponsors in accordance with the Company's internal policies concerning Business Leads.

4.5 BUSINESS LEADS.

When the Company receives inquiries from individuals concerning the Company's products, programs, services and/or the business opportunity, the Company refers these individuals to **OPTAVIA** Coaches meeting certain qualifications as determined by the Company at its sole discretion.

4.6 PROTECTING THE LINE OF SPONSORSHIP.

OPTAVIA is a business built upon the creation of relationships with Clients and other Coaches. Therefore, once a Coach is sponsored, in order to preserve the line of sponsorship and safeguard the hard work of all Coaches, with the exception of permitting a Coach to change sponsors within their first thirty (30) days of enrollment, **OPTAVIA** does not allow Coaches to change sponsors.

- a. Sponsor Changes within 30 Days of Enrollment. **OPTAVIA** does understand that there may be errors or other circumstances in the first 30 days of a Coach's enrollment where a change of sponsors may be warranted. As an accommodation, during a Coach's first 30 days only, a one-time transfer will be granted upon Company review and approval, however, approval is at the Company's sole discretion. In no way should this Policy be interpreted by a newly sponsored Coach as an opportunity to shop around within his/her first thirty (30) days for a different Sponsor, especially if their original Sponsor is reasonably fulfilling the role of Sponsor.
- b. Cancellation of an **OPTAVIA** Business. A Coach can voluntarily cancel or resign from their **OPTAVIA** business and if they remain inactive for six (6) full consecutive calendar months, following the six (6) calendar month period of inactivity, the former Coach may re-enroll under a new Sponsor of their choice. This requires the purchase of a new Business Kit. However, please note that:
 - i. The Coach will lose all rights to their former downline organization upon their cancellation and all rights to revenue produced through sales from their former organization;
 - ii. The Coach may not promote Company products, programs, earn compensation, or attend events or trainings during the six-month inactivity period;

- iii. The Coach's Household family members, (e.g., spouses, common law or domestic partners, and dependent children of one or both spouses or domestic partners), are not permitted to enroll a business under a new sponsor during the six (6) month period;
- iv. The Coach may not attempt to engage in any other actions that could be deemed, at the sole discretion of the Company, as an attempt to potentially circumvent this Policy; and
- v. Once re-enrolled, the Coach is not permitted to solicit former Clients or induce Coaches or Clients from its former organization to change lines of sponsorship.
 - 1. Coaches who fail to comply with the foregoing for the full six (6) calendar months may be required to sit out an additional six (6) months or may be prohibited from reenrolling as a Coach with the Company.
- c. Waiver of Claims. If a Coach improperly changes their Sponsor, **OPTAVIA** reserves the sole and exclusive right to determine the final disposition of the downline organization and any potential commissions that may have been earned, by the Coach in his/her second line of sponsorship. **COACHES WAIVE ANY AND ALL CLAIMS AGAINST OPTAVIA, ITS OFFICERS, DIRECTORS, OWNERS, EMPLOYEES, AND AGENTS THAT RELATE TO OR ARISE FROM OPTAVIA'S DECISION REGARDING THE DISPOSITION OF ANY DOWNLINE ORGANIZATION OR COMMISSIONS EARNED BY A COACH WHO HAS IMPROPERLY CHANGED THEIR SPONSOR.**

4.7 CLIENT TRANSFERS.

Clients are free to choose the Coach they wish to do business with. If a Client wishes to change Coaches, he or she may do so. The Client seeking to change Coaches must request the change and execute the necessary form. Coaches may also assist Clients to change Coaches by providing access to the appropriate form or by submitting the form on behalf of the Client. In addition, again, while a Client is free to choose the Coach they wish to do business with, a Coach may feel transferring a Client to a new Coach would best serve the Client (e.g. in the case of an inactive Client), if a Coach wishes to transfer the Client, the Coach may submit the change request on behalf of the Client. Client Transfers may not be used to circumvent any of the Policies outlined herein or to otherwise manipulate the Integrated Compensation Plan or any incentive offered by the Company. Client Transfer Requests may be reviewed by the Company's Compliance Department for approval and the Company reserves the right to decline any requests for Client Transfers at its sole and absolute discretion. See the **OPTAVIA** Procedures for Details on Client Transfers.

4.8 BULK CLIENT TRANSFERS.

OPTAVIA understands that, from time to time, a Coach may wish to transfer large numbers of front-line entities (inactive Clients, leads, etc.) to another down-line Coach for ongoing support and service (hereinafter called "Bulk Client Transfers"). In order to better serve these front-line entities, **OPTAVIA** provides a process by which the Coach may transfer these front-line entities for an administrative fee proportional to the number of Clients to be transferred. However, please keep in mind that Clients always have the right to select their own Coach. In addition, Bulk Client Transfers may not be used to circumvent any of the Policies outlined herein or to otherwise manipulate the Compensation Plan or any incentive offered by the Company. Bulk Client Transfer Requests may be reviewed by the Company's Compliance Department for approval and the Company reserves the right to decline any requests for Bulk Client Transfers at its sole and absolute discretion. See the **OPTAVIA** Procedures for Details on Bulk Client Transfers.

4.9 CROSS-LINE COACH OR CLIENT SOLICITATION.

Coaches shall not directly or indirectly solicit, encourage, or induce a Coach in another Coach's downline to change lines of sponsorship, nor should a Coach directly or indirectly solicit a Client in another Coach's downline. Violation of this Policy will subject the Coach to potential disciplinary action, up to and including termination.

SECTION 5 - ADVERTISING

5.1 BUSINESS SUPPORT TOOLS & MATERIALS.

- a. Definition of Business Support Tools and Materials. Business Support Tools and Materials (hereinafter, "Business Support Materials") includes any and all electronic, printed, audio or video presentations, business building systems, materials and/or tools that a Coach uses to promote and/or advertise the offer or sale of **OPTAVIA** products, programs, services or the business opportunity. Some examples of Business Support Materials may include, but is not limited to: flyer's, posters, videos, PowerPoint presentations, mobile applications, websites, business cards, books, etc.
- b. Use of Business Support Materials. Subject to the exception under Policy 5.2, Coaches are only permitted to use Business Support Materials that have been produced and/or distributed by the Company for the promotion of their business, **OPTAVIA** products, programs, services and the business opportunity ("Company-Produced Business Support Materials"). Coaches may not create, prepare or use their own Business Support Materials.

5.2 COACH-CREATED BUSINESS SUPPORT MATERIALS.

While the Company endeavors to produce and distribute all the Business Support Materials a Coach may need to promote his/her business, the Company recognizes that there may be unique events or opportunities for which the Company does not have specific Business Support Materials prepared. Therefore, a Coach may wish to create certain Business Support

Materials which contain the Company's protected trademarks for an event, meeting or other opportunity to advertise their business. Business Support Materials created by Coaches ("Coach-Created Business Support Materials") must be limited to flyer's, pamphlets, banners, and other printed materials. Coaches must submit all Coach-Created Business Support Materials they create to the Company for its prior review and written approval before use. The Company has the sole discretion of whether to approve such Coach-Created Business Support Materials. The Company reserves the right to rescind the approval of any Coach-Created Business Support Materials at its discretion, and COACHES WAIVE ANY CLAIM FOR DAMAGES OR REMUNERATION FOR ANY LOSSES THAT THEY MAY INCUR RESULTING FROM OR RELATING TO THE COMPANY'S DECISION TO RESCIND ITS PRIOR APPROVAL. See the **OPTAVIA** Procedures for Details on Approval of Coach-Created Business Support Materials.

5.3 INTERACTION WITH THE MEDIA.

In order to protect the **OPTAVIA** brand and to ensure a consistent message, **OPTAVIA** has determined that it is in the best interest of all Coaches to have designated company spokespersons handle all communications with the media, except as otherwise allowed by these Policies. Accordingly, unless Coaches receive prior written consent from the Company, Coaches are not permitted to contact, solicit, respond to, interview with, or otherwise communicate with the media about **OPTAVIA**, its products, programs, services, the business opportunity, their experience with **OPTAVIA**, or anything else relating to **OPTAVIA**, even if **OPTAVIA** is not mentioned by name. It is a violation of this Policy to provide any information to the media without prior written approval from **OPTAVIA**, regardless of whether the information is positive or negative, accurate or inaccurate. "Media" is defined broadly to include, but is not limited to, all traditional news outlets, television and radio shows, print media, as well as all Internet-based journalistic communications, which may include blogs, forums, and bulletin boards relating to journalistic news or similar outlets. If the media contacts a Coach, he or she must notify the Company and receive written authorization to speak to the media BEFORE discussing **OPTAVIA** products, programs, services, the business opportunity, etc. with the media. If appropriate, the Company shall appoint an authorized representative to serve as a spokesperson to the media. Coaches who receive written authorization from the Company to interact with the media shall also work with the Company to ensure that **OPTAVIA**'s products, programs and services are accurately presented to the media. See the **OPTAVIA** Procedures for Details on Interaction with the Media.

5.4 PROHIBITED ADVERTISING PRACTICES & TOOLS.

In order to protect the image of the Company as well as our field of Coaches, certain advertising practices are strictly prohibited:

- a. Printed Materials. Except as allowed by these Policies, Coaches are prohibited from advertising their businesses or from using the Company name or any other Company trademark in printed advertising materials or in conjunction with other promotions, this includes:
 - i. Magazines;
 - ii. Newspapers;
 - iii. Direct Selling publications;
 - iv. Outdoor commercial advertising, such as transit ads, billboards, banners on brick and mortar buildings, etc.;
 - v. Catalogs or catalog listing services;
 - vi. Promotions with other companies; such as the offering of **OPTAVIA** Lean & Green meals at an area restaurant.
- b. Radio, Podcasts, and Television. Coaches are prohibited from advertising on radio, podcasts, and television. Coaches are permitted to advertise on local radio to promote local **OPTAVIA** Coach events, however, Coaches may not engage in any radio advertising until the Company has provided written approval concerning the advertisement and the proposed local radio station (via an Advertising Request Form). The Company may decline to provide permission to the Coach at its sole and absolute discretion. With the exception of Company-approved (in writing) PR opportunities, such as Coach interviews on local news programs, Coaches may not advertise **OPTAVIA** products, programs or services on television.
- c. Online Advertising and the Internet. Coaches may not publish, create, or maintain any website, web page (including mobile application), other than their replicated **OPTAVIA** website, in connection with advertising or promoting their business.
- d. Domain Names, URLs, Keywords, Meta Tags, and E-mail Addresses. Coaches may not use, purchase, or register any domain names, URLs, keywords, meta tags, or e-mail addresses that include, in whole or in part, the Company name or any of the Company's trademarks, service marks, or product names, or any derivative thereof. To the extent that Coaches violate this Policy, they hereby acknowledge and agree that they will, upon Company request, immediately discontinue use and/or transfer to the Company (or its designee), at the Coaches' expense, any such materials. Without limitation, a Coach may not:
 - i. Create, operate, or maintain any website or web page with the words **OPTAVIA**, or any other Company trademark or acronym or derivative of a trademark, in whole or in part, in all or part of the URL (please see partial list of **OPTAVIA** trademarks attached as Appendix A to these Policies);
 - ii. Purchase a keyword from a search engine or other on-line service that comprises or includes the words **OPTAVIA** or any other Company trademark, irrespective of whether the results of searches for that term include the Company;
 - iii. Create an e-mail address that includes **OPTAVIA** or any other Company trademark.
- e. On-line Auctions, Markets and Outlets. Coaches may not sell, auction, or attempt to sell Company products, programs, business tools, coupons/promotional codes, or the unique support services offered by a Coach on any on-line marketplace/storefront or auction sites (e.g., Amazon, eBay, etc.). Coaches are prohibited from using these

sites to sell products or solicit/generate leads. Selling Company products, programs, or services on-line will subject the Coach to potential disciplinary action, up to and including termination.

- f. Unsolicited Communications. Coaches may not send, transmit, or otherwise communicate any spam or other unsolicited mail, e-mail, text, SMS, or other messages to any individual or group. Use of Company provided tools, such as the Back-Office, require that Coaches have a bona fide connection to their message recipients prior to sending correspondence of any kind. Coaches may not buy or use any third party generated e-mail or mailing address lists in conjunction with their **OPTAVIA** business.
- g. Blogs and Vlogs. Coaches cannot create or maintain independent blogs or vlogs (video blogs) that contain the Company name or company trademarks or that describe Company products or programs without written Company approval. Vlogs specifically include, but are not limited to, YouTube and Vimeo.
- h. Product Packaging. Coaches may not re-label, repackage, or modify the Company's products in any way in conjunction with any advertising, presentation, or other endeavor. A Coach may, however, provide products for sampling purposes.
- i. Similar Promotions or Incentives. While Coaches are permitted to run compliant incentives or promotions within their organization as a method to grow their respective businesses, Coaches are prohibited from running incentives, contests and or promotions within their organizations that are confusingly similar in nature to those that are promoted by **OPTAVIA**. Coaches should also ensure that any promotions or incentives that they may choose to run are in compliance with any applicable laws and regulations.
- j. Company-Operated Social Media. The Company (defined as **OPTAVIA** LLC and its parent company, Medifast, Inc.), has its own independent social media presence. From time to time, the Company may use "organic posts" and "paid social media advertisements" to promote the Company and its offerings, including, but not limited to, its products and programs. In order to preserve the intended purpose of these posts and prevent disruption within the **OPTAVIA** Community, **OPTAVIA** Coaches may not directly or indirectly, themselves or through their Clients, attempt to solicit, or recruit potential Client or Coach candidates on any Company social media postings or advertisements. "Attempting to solicit or recruit" shall be broadly construed, and examples include, but are not limited to:
 - i. "Come join my team;"
 - ii. "I can help you lose weight and my services as a Coach are at no extra cost;"
 - iii. "My team and I have a great time together;"
 - iv. "Come join my Coach's team."
 - v. "My Coach is so great! You should use [Coach name]."

5.5 PERMISSIBLE ADVERTISING PRACTICES & TOOLS.

While certain advertising practices are prohibited, Coaches may use a wide variety of resources to attract Clients and to acquire new Coaches. Please remember that Coaches may only use approved Business Support Materials when advertising their business.

- a. Replicated **OPTAVIA** Website. Coaches can advertise their business through their replicated **OPTAVIA** website.
- b. Social Media. Coaches may include a link on their social media sites (Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, etc.) to their replicated **OPTAVIA** website, and vice-versa. Coaches are responsible for the content of all material that they produce and all of their own postings on any social media site, as well as all postings on any social media site that they own, operate, or control. In addition to meeting all other requirements specified in these Policies, if a Coach uses any form of social media, including any messaging applications, to advertise their business, including, but not limited to, Facebook, Twitter, LinkedIn, YouTube, Pinterest, WhatsApp, WeChat or Instagram, the Coach agrees to each of the following:
 - i. No product sales or enrollments may take place directly or indirectly through any social media site;
 - ii. Coaches may not make any social media postings, or link to or from any postings or other material that is sexually explicit, obscene, pornographic, offensive, profane, hateful, threatening, harmful, defamatory, libelous, harassing, or discriminatory (whether based on race, ethnicity, creed, religion, gender, sexual orientation, physical disability, or otherwise), is graphically violent, is solicitous of any unlawful behavior, that engages in personal attacks on any individual, group, or entity, or is in violation of any intellectual property rights of the Company or any third party;
 - iii. Any social media site that is directly or indirectly operated or controlled by a Coach that is used to discuss or promote **OPTAVIA**'s products, programs, services, or the business opportunity, may not link to any website, social media site, or site of any other nature that promotes the products, services, or business program of any Direct Selling company other than **OPTAVIA**;
 - iv. During the term of this Agreement and for twelve (12) calendar months thereafter, a Coach may not use any social media site on which they discuss or promote, or have discussed or promoted, the **OPTAVIA** business or **OPTAVIA**'s products, programs or services to directly or indirectly solicit **OPTAVIA** Coaches for another Direct Selling or network marketing program. A current or former **OPTAVIA** Coach shall not take any action that may reasonably be foreseen to result in drawing an inquiry from other **OPTAVIA** Coaches relating to the Coaches' other Direct Selling business activities. Violation of this provision shall constitute a violation of the non-solicitation provision of these Policies;
 - v. If a Coach creates a business profile page on any social media site that promotes or relates to **OPTAVIA**, its products, programs, services or opportunity, the business profile page must relate exclusively to the Coaches' **OPTAVIA** business and **OPTAVIA** products, programs and services (Pinterest and similar sites

are exempt from this exclusivity Policy). If the Coaches' **OPTAVIA** business is canceled for any reason or if the Coach becomes inactive, the Coach must deactivate the business profile page;

- vi. Some social media sites are so robust that they can serve as websites. As Coaches are not permitted to operate independent websites to advertise **OPTAVIA**, its products, programs, services or opportunity, **OPTAVIA** reserves the right to require that a Coach discontinue using a social media site that, in the Company's discretion, serves as a website.
- c. Telephone Directories. Potential Clients seeking a Coach can look one up in the telephone directory. Coaches may list themselves in telephone books and other directories as their name, followed by "Independent **OPTAVIA** Coach" or "Independent Coach with **OPTAVIA**." Certified Coaches may identify themselves as such in telephone directories (as an "Independent Certified **OPTAVIA** Coach"). This rule also applies to local on-line directories or listings. **OPTAVIA** Coach telephone directory listings must be approved by the Company.
- d. Community Newspapers and Local Classified Publications. Local newspapers, and community bulletins are widely read by the people in the community. Coaches may advertise in these publications, so long as the advertisement is approved by the Company.
- e. On-line Classifieds. Many local newspapers and weekly publications are also available on-line. Coaches may wish to advertise their business through local on-line classified advertisements (including on Craigslist) to promote the Coach's **OPTAVIA** business and to locate potential new Coaches. However, Coaches are not permitted to use on-line classifieds for product sales; postings related to sales of products are strictly prohibited. On-line classified advertisements must be approved by the Company.
- f. Supermarket Bulletin Boards. Most local grocery stores have a bulletin board where local residents fill out cards advertising goods and services; Coaches may place approved business cards on such bulletin boards.
- g. Welcome to the Neighborhood. When people move into a new neighborhood, they are on the lookout for new ways to buy familiar goods and services. Many communities offer gift baskets featuring special deals for new residents. Coaches may place approved Business Support Materials or approved business cards in the welcome package.
- h. Customized E-mail Signature. Turn an e-mail signature into a mini-ad. It's a free, easy way to promote your **OPTAVIA** business. Keep it brief, but include what you think is important. In order to remain consistent with brand guidelines, be sure to hold yourself out as an "Independent **OPTAVIA** Coach" or "Independent Coach with **OPTAVIA**." Certified **OPTAVIA** Coaches can list themselves as an "Independent Certified **OPTAVIA** Coach" in an e-mail signature.

See the **OPTAVIA** Procedures for Details on Submitting Permitted Advertising Materials and Tools to the Company for Approval.

5.6 E-MAIL MESSAGES, SMS/TEXTING & PHONE CALLS.

- a. Email and SMS/Texting. Coaches must comply with all laws regarding the sending of e-mails and SMS/text messages, including the Unsolicited Electronic Messages Ordinance ("UEMO"). It is the Coach's duty to become and remain informed about the requirements of these laws. Coaches are prohibited from sending unsolicited e-mails or SMS/text messages regarding their replicated website or **OPTAVIA** Coach business to individuals who have not specifically requested information regarding the **OPTAVIA** business opportunity, products, programs or services. In the event an individual who has formerly agreed to receive e-mail information or SMS/text messages later requests that the Coach cease sending the individual e-mail or SMS/text messages, the Coach must honor this request immediately.
- b. Phone Calls. Coaches must not call or send any messages to any Hong Kong telephone number unless the Coach has confirmed, in accordance with the UEMO that the telephone number is not listed on the "Do Not Call" registry, as implemented under the UEMO.

5.7 COMPANY TRADEMARKS & COPYRIGHTS.

The name "**OPTAVIA**" and other names as may be adopted by the Company from time to time are proprietary trade names, trademarks and service marks of **OPTAVIA** (as partially outlined in Appendix A). The Company's trademarks and copyrights are valuable assets and, therefore, the Company strictly regulates the use of these trademarks and copyrights to ensure that they do not lose their value to the Company or to our independent field sales force. Coaches may not use the Company's trademarks, trade names, copyrights and other intellectual property rights, registered or otherwise, in any form except as specifically authorized by these Policies or as otherwise approved in writing by the Company. The Company may prohibit the use of the Company's trademarks or copyrights in any Business Support Materials or other medium. While the Company grants Coaches a limited license to use its trademarks and trade names in promotional media, that license exists only for so long as the Independent **OPTAVIA** Coach Agreement is in effect. Upon cancellation of a Coach's Agreement for any reason, the Coach's license shall expire and the Coach must immediately discontinue all use of the Company's trademarks and trade names. Violation of any of the Policies pertaining to Company trademarks and copyrights may subject the Coach to disciplinary action, up to and including termination.

- a. Use of Company Trademarks. Under no circumstances may a Coach use any of **OPTAVIA**'s trade names, trademarks, service marks or logos in any e-mail address, Business Entity name, website domain name, social media name or handle (or social media profile picture), address or phone number. In addition, Coaches are not permitted to use or apply the Company's trade names, trademarks, service marks or logos on any tangible

items, including, but not limited to: customized license plates, apparel, products, tools or other materials, unless otherwise allowed in these Policies or as authorized by the Company in writing.

- b. Live and Recorded Events. **OPTAVIA** commonly puts on live and recorded events as well as webinars and telephone conference calls. During these events, Company executives or employees, Coaches, and guests may appear and speak. The content of such events is copyrighted material that is owned exclusively by the Company. Coaches may not record any Company events or functions for any reason, whether such event is live, a webinar, via conference call, or delivered through any other medium (Company events or functions include: “**OPTAVIA** Convention,” “Sundance,” “International Leadership Advancement Trip,” etc.).
- c. Company Produced Business Support Materials. Company-produced Business Support Materials, videos, audio, podcasts, and printed material are copyrighted materials. While some of these materials may be available to Coaches in their Back-Offices for download, Coaches shall not copy any such materials without the Company’s prior written approval.

5.8 REPLICATED WEBSITES.

Upon enrollment, Coaches receive a “replicated” **OPTAVIA** website from which they can generate sales and enrollments of other Coaches. Replicated **OPTAVIA** websites are the only websites that Coaches are authorized to use in connection with their **OPTAVIA** business.

5.9 RETAIL OUTLETS.

Coaches may not sell **OPTAVIA** products in any retail, wholesale, warehouse, trade show or discount establishment (collectively “Retail Outlet”). This includes accepting orders, and/or accepting any form of payment for products and/or exchanging or transferring products to a buyer in a Retail Outlet.

5.10 TESTIMONIALS & CLAIMS.

- a. Weight-Loss Testimonials. If a Coach makes a weight-loss testimonial (including any statements or representations about weight-loss efficacy or statements disclosing or implying the amount of weight that any person has lost) in connection with **OPTAVIA**’s products and programs, the Coach must adhere to each of the following:
 - i. The Coach making the testimonial must clearly and conspicuously disclose that he/she is an independent **OPTAVIA** Coach;
 - ii. The testimonial must be true and accurate, and must disclose all additional material information that impacted their weight loss (e.g., changes in lifestyle or exercise habits, use of diet pills, etc.);
 - iii. The testimonial must clearly and conspicuously include the most recent **OPTAVIA** disclaimers which are included in official **OPTAVIA** literature or posted on **OPTAVIA**’s official website and which may change or be updated from time to time. It is the Coach’s obligation to be familiar with the latest disclaimers.
- b. Weight-Loss Statements/Testimonials Disclaimers. Weight-loss statements/testimonials must include one of the following disclaimers, depending on whether (a) only total weight loss is noted in the statement or (b) total weight loss and a time duration is mentioned, for example:
 - i. “Average weight loss for Clients on the Optimal Weight 5 & 1 Plan® is 12 pounds (5.4 kg).” Use this version for weight loss statements where only total weight loss is noted without any time duration mentioned, e.g., - “Susan lost 20 kg;”
 - ii. “Average weight loss for Clients on the Optimal Weight 5 & 1 Plan® is 12 pounds (5.4 kg). Clients are in weight loss, on average, for 12 weeks.” Use this version for weight loss statements where both total weight loss and a time duration is mentioned, e.g., - “Susan lost 20 kg in 4 months.”
 - 1. For additional information on weight loss disclaimers and claims, please see <https://COACHANSWERS-HK.OPTAVIA.com/help/>.
- c. Health Claims Prohibited. Coaches are prohibited from making any claims that **OPTAVIA**, the Optimal Weight 5 & 1 Plan or their weight loss helped improve, treat, prevent any medical condition (including, but not limited to, diabetes, high blood pressure, cholesterol, etc.). Please note, **OPTAVIA** and the Optimal Weight 5 & 1 Plan do not cure, prevent, diagnose, or treat any disease; Coaches may not make claims that **OPTAVIA**’s products and programs can or may help to prevent, cure, and/or mitigate any illness or disease. This prohibition against curative claims includes, but is not limited to, testimonials about **OPTAVIA**’s products and programs that are not contained in official **OPTAVIA** literature or posted on **OPTAVIA**’s official website for the Hong Kong market. **OPTAVIA** and its products and programs are not medical treatment or care and cannot be conveyed as such. The following is a non-exclusive list of prohibited health claims:
 - i. Medication Elimination (example of non-compliant statement - “Thanks to **OPTAVIA**, I’m off all blood pressure medication.”);
 - ii. Specific Weight Maintenance (example of non-compliant statement - “I have maintained my weight loss for five years.”)
 - iii. Improvements to High Blood Pressure, High Cholesterol or Diabetes or any other disease (example of non-compliant statement - “Thanks to my weight loss with **OPTAVIA**, my high blood pressure/cholesterol/diabetes improved”).
 - 1. Again, as mentioned above, these are only a few of the prohibited health claims that Coaches are not permitted to make or discuss when advertising their **OPTAVIA** Coach business.
- d. Representing the Income Opportunity. When presenting or discussing the **OPTAVIA** Compensation Plan or income opportunity, Coaches must make it clear to prospects that financial success in **OPTAVIA** requires

commitment, effort, and skill. When presenting or discussing the **OPTAVIA** opportunity or Compensation Plan or income opportunity to a prospective Coach, Coaches must provide the prospective Coach with a copy of **OPTAVIA**'s then-current Income Disclosure Statement ("IDS"). Coaches may not make any exaggerated income claim nor any claim that is false or deceptive. Conversely, Coaches must never represent that one can be successful without diligently applying themselves. Examples of misrepresentations in this area include, but are not limited to:

- i. It's a turnkey system;
 - ii. The system will do the work for you;
 - iii. Just get in and your downline will build through spillover;
 - iv. Just join and I'll build your downline for you;
 - v. The company does all the work for you;
 - vi. You don't have to sell anything;
 - vii. All you have to do is buy your products every month.
 1. The above are just examples of improper representations about the Compensation Plan and the business opportunity and are not an exclusive list. It is important that Coaches do not make these, or any other representations, that could lead a prospect to believe that they can be successful as a Coach without commitment, effort, and skill. Income Disclosure Statement. The Company has developed the Income Disclosure Statement ("IDS") to convey truthful, timely, and comprehensive information regarding the income that **OPTAVIA** Coaches have earned (IDS is attached as Appendix B to these Policies). The IDS is not a projection of what may be earned in the future; it is a report of what Coaches have earned in the past and must be conveyed as such. A copy of the IDS must be made available to any prospective Coach any time the Compensation Plan or earning opportunity is presented or discussed or any type of income claim or earnings representation is made.
- e. Income Claims and/or Earnings Representations. Income claims and earnings representations (collectively, "income claims") are:
- i. Any statement indicating a specific amount has been, may be, or will be earned;
 - ii. Any statement making a financial projection;
 - iii. Any statement providing possible ranges within which income can be earned;
 - iv. Statements of earnings ranges;
 - v. Income testimonials;
 - vi. Lifestyle claims;
 - vii. Hypothetical claims.
- f. Lifestyle Claims. A "lifestyle claim" is a form of income claim. It typically includes representations (which often, but do not always, include pictures) of large homes, luxury cars, exotic vacations, expensive jewelry or other items suggesting or implying wealth. References to the achievement of one's dreams or having everything one always wanted and are phrased in terms of opportunity or possibility or chance are also lifestyle claims. Claims such as "My **OPTAVIA** income exceeded my salary after six months in the business," or "Our **OPTAVIA** business has allowed my wife to come home and be a full-time mom," or "I'm now able to send my kids to private school," are examples of this type of lifestyle claim.
- g. Meetings. In any meeting that is open to the public in which the Compensation Plan is discussed or any type of income claims are made, there must be a 3-foot x 5-foot or larger copy of the current IDS on display in the front of the room in reasonable proximity to the presenter(s). Alternatively, a Coach may provide all attendees with a copy of the current IDS. In any meeting in which any type of video display is used (e.g., monitor, television, projector, etc.), a slide of the IDS must be displayed continuously throughout the duration of any discussion of the Compensation Plan or the making of an income claim. Alternatively, a Coach may provide all attendees with a hard copy of the current Income Disclosure Statement on a page that is at least 8" x 10."

5.11 HOLDING EVENTS & MEETINGS.

- a. Field-Run Events. Coaches are encouraged to get together with other Coaches for training, motivational, or business development purposes; these are deemed "Meetings" or "Trainings" for purposes of these Policies. Meetings and Trainings can be held between Coaches in the same organization or coaches in other lines of sponsorship. The Company does not need to be notified of their occurrence.
- b. Client or Coach Acquisition Events. Coaches may also wish to hold Client acquisition or business opportunity events that are advertised, promoted, or open to the public. These gatherings are deemed "Events". For Coach acquisition Events, **OPTAVIA** Coaches must abide by the following requirements:
 - i. Income Disclosure Policies must be adhered to;
 - ii. Only approved Business Support Materials (developed or approved by the Company) may be used at any Event;
 - iii. All other Policies herein must be adhered to when holding an Event, failure to do so is grounds for disciplinary action.
 1. While the Company does not need to be notified of the occurrence of Events, should a Coach have any doubt concerning whether or not he/she may be in compliance with all relevant **OPTAVIA** Policies when holding an Event, the Coach should contact the **OPTAVIA** Compliance Department.

5.12 TRADE SHOWS, FAIRS, & EXPOS.

- a. Promoting a Coach Business at Professional Events. We encourage Coaches to attend trade shows, fairs, and expositions to promote their businesses, when they are ready. However, Coaches must refrain from attending events that do not reflect well on the scientific and clinical heritage of the Company, its products and programs, or that could negatively reflect on the image of the Company.
- b. Qualifications. Only Certified Coaches who are qualified at the rank of Executive Coach or above may attend and promote **OPTAVIA** at trade shows and professional expositions. Other Coaches not yet qualifying at the rank of Executive Coach may participate in a trade show only under the guidance of a Certified Executive Coach personally present at the event.
- c. Turning Event Contacts into Active Clients. If a future Client wishes to place an order at the exposition, he/she can place the order through the Client Support Team or place the order on-line via the Coach's replicated website.
- d. Company Presence at Events. Members of the **OPTAVIA** corporate team often attend and participate in events, which emphasizes the importance of speaking with one voice from a brand perspective to uniformly promote our products and programs. Therefore, Coaches may not participate in events where there is a corporate presence, unless prior written approval is given by the Company. It is solely the Coach's responsibility to comply with this Policy.
- e. Field Presence at Events. **OPTAVIA** is not responsible for managing the event schedule within the field and will not mediate disputes with event vendors or among members of the field.
- f. Registering for Events. Coaches should inquire with the event organizer prior to registration to determine if the Company will be attending the event. In cases where the Company will be present, Coaches should contact the Company before registration. The Company is not responsible for event registration fees and event costs associated with Coaches registering for events they cannot attend. Coaches may not register themselves as "**OPTAVIA**," Coaches may only register as: "<Coach Name>, Independent **OPTAVIA** Coach," "<Coach Name>, Independent Coach with **OPTAVIA**," or Certified **OPTAVIA** Coaches can register themselves as "<Coach Name>, Independent Certified Coach with **OPTAVIA**."
- g. Insurance. As previously mentioned in these Policies (Policy 3.4), **OPTAVIA** does not provide liability or other insurance coverage, which is sometimes required to participate in such events. Such coverage, if necessary, is the sole responsibility of the Coach.
- h. Approval. **OPTAVIA** further reserves the right to refuse authorization for participation in any function that it does not deem to be a suitable forum for the promotion of its products, programs, services, or the **OPTAVIA** business opportunity.

SECTION 6 - DISPUTE RESOLUTION

6.1 GENERAL DISPUTE RESOLUTION POLICY.

The Agreement is governed by and shall be construed in accordance with the laws of Hong Kong. Any dispute between the Company and a Coach that arises from or relates to the Agreement, the business operated by the Coach, or the opportunity offered by the Company shall be resolved according to the two-step procedure of: (a) informal negotiation; and (b) arbitration. The following shall apply to all proceedings under this Dispute Resolution Policy:

- a. Subject to sub-section (b) below, any claim a Party has against the other must be brought within one (1) year from the date (i) on which the act or omission giving rise to the claim occurred, or (ii) on which the Party knows, or through reasonable diligence should know, of the conduct giving rise to the cause of action, whichever is later. Failure to bring such action within such time shall bar all claims against the other Party for such act or omission. The Parties waive all claims that any other statute of limitations applies.
- b. Once an informal negotiation is requested in writing in accordance with Policy 6.2.a.ii below, the one-year limitation of actions provision in sub-section (a) above shall be tolled until the closure of the informal negotiation meeting and for ten (10) calendar days thereafter.

6.2 PHASES OF DISPUTE RESOLUTION.

- a. Phase 1 - Informal Negotiation.
 - i. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement, the business operated by the Coach, or the opportunity offered by the Company promptly by negotiation between the aggrieved Coach(es) and executives of the Company who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement.
 - ii. To institute the negotiation process, either Party may give the other Party written notice of any dispute not resolved in the normal course of business. Within ten (10) days after delivery of the notice, the receiving Party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each Party's position and a summary of arguments supporting that position, and (b) the name and title of the executive and attorney who will accompany that Party (if applicable), or the name of the Coach and their attorney (if applicable) who will accompany him/her in the negotiation. Within twenty (20) days after delivery of the notice, the Parties and the attorneys (as applicable) of both Parties shall meet at a mutually acceptable time and place. Such meeting may occur telephonically if one Party requests that the meeting be held telephonically.

b. Phase 2 - Arbitration.

- i. If the Parties fail to settle any dispute or claim at the informal negotiation meeting, any Party may refer such dispute or claim to be settled by arbitration at the Hong Kong International Arbitration Centre (“HKIAC”) in accordance with the HKIAC Administered Arbitration Rules as at present in force. There shall be one (1) arbitrator who shall be appointed (in default of an agreement between the Parties to the dispute) by HKIAC. The language to be used in the arbitral proceedings shall be English. The decision or award of the arbitral tribunal shall be binding upon the Parties.

6.3 CONFIDENTIALITY.

With the exception of discussing the claims with bona fide witnesses to the dispute, neither Party shall verbally or in writing discuss, publish, or otherwise disseminate the claims, allegations, merits, evidence, positions, pleadings, testimony, rulings, awards, orders, issues, or any other aspect of the dispute to any third party, including but not limited to disclosure on the Internet or on any social media or blog platform, prior to, during, or after any phase of the dispute resolution process unless a specific exemption contained in this Dispute Resolution Policy applies.

6.4 EMERGENCY RELIEF.

Either Party may bring an action before a court properly vested with jurisdiction seeking emergency relief (including but not limited to injunction) to protect its rights and property against the breach by the other Party if (a) there is no adequate remedy at law; (b) it shall suffer immediate and irreparable harm as a result of the other Party’s breach; and (c) if emergency and permanent equitable relief is not granted, the injury to it shall outweigh the potential harm to the other Party. The Parties agree that the Company shall be entitled to seek emergency relief against any violation of the Policies on non-solicitation (Policy 3.7) or Confidential Information (Policy 3.8).

6.5 SITUATIONS IN WHICH THE DISPUTE RESOLUTION POLICY IS MODIFIED.

This Dispute Resolution Policy shall be modified as specified below in the following situations:

- a. Action to Enforce Arbitration Award or Order. Either Party may bring an action in a court properly vested with jurisdiction to enforce an arbitration award or order, including but not limited to an order for emergency relief.
- b. Petitions for Emergency Relief. If a Party deems it necessary to seek emergency equitable relief to protect its interests, it may seek emergency equitable relief in a court properly vested with jurisdiction without engaging in the negotiation phase set forth above. Notwithstanding the foregoing, the Parties are encouraged, but not required, to engage in negotiation concurrently with any pending request for emergency relief.
- c. Patent, Trademark and Copyright Infringement Claims. If an action is brought seeking injunctive relief to prevent infringement of a patent, trademark, or copyright, such action may be brought before a court properly vested with jurisdiction so long as: (a) the only cause of action asserted in the case is for the infringement of a patent, trademark, or copyright; and (b) the only relief sought is equitable relief.
- d. Disciplinary Sanctions. The Company shall not be required to engage in the two-step dispute resolution process prior to imposing disciplinary sanctions against a Coach for violation of the Agreement.

6.6 DAMAGES WAIVER.

In any action arising from or relating to the Agreement, the Parties waive all claims for incidental and/or consequential damages, even if the other Party has been apprised of the likelihood of such damages. The Parties further waive all claims to exemplary and punitive damages. Nothing in this Policy shall restrict or limit a Party’s right to recover liquidated damages as set forth in these Policies.

6.7 NO CLASS ACTION

No Dispute will be adjudicated, in arbitration or any other judicial proceeding, as a class action.

SECTION 7 - RIGHT OF THIRD PARTIES

7.1 NO RIGHT OF THIRD PARTIES.

The Agreement is personal to and is made solely for the benefit of the Parties and shall not create or give any rights to or purport to confer any benefits on any third parties whatsoever. The application of the Contracts (Rights of Third Parties) Ordinance and / or any comparable law in any jurisdiction giving to or conferring on third parties the right to enforce any term of the Agreement is expressly excluded and no terms of the Agreement are, or intended to be, enforceable by any person not being a party to it. The rights of the Parties to terminate, rescind, or agree any amendment, waiver, variation or settlement under or relating to the Agreement, or any term of the Agreement, are not subject to the consent of any third party.

Appendix A - PARTIAL LIST OF OPTAVIA TRADEMARKS*

Agents of Transformation®

Habits of Health™

Healthy Habits For All®

Lean & Green®

Lifelong Transformation, One Healthy Habit at a Time.®

Medifast™

OPTAVIA®

Optimal Weight 5 & 1 Plan®

Purposeful Hydration®



*This list is not complete and is subject to update at any time at the discretion of the Company.
For a complete list of Intellectual Property and trademarks, please email the Compliance Department.

OPTAVIA® PROCEDURES - Hong Kong

<p>Enrolling as an Independent OPTAVIA Coach</p>	<p>You may enroll as an independent OPTAVIA Coach by completing the following steps:</p> <ol style="list-style-type: none"> i. By agreeing to the terms and conditions of the Independent OPTAVIA Coach Agreement; and ii. Purchasing an OPTAVIA Business Kit from the Company. Business Kits can be purchased via your OPTAVIA shopping cart or by calling the Coach Support Team. You are not required to purchase any other products or other materials to become a Coach with OPTAVIA. <p>If at the time of enrollment you do not agree to the terms and conditions of the Agreement, your sole recourse is to notify the Company and cancel your business. Failure to cancel within five (5) days of purchasing your OPTAVIA Business Kit constitutes your acceptance of the Agreement.</p>
<p>Enrolling as a Married Couple</p>	<p>Spouses that wish to start an independent OPTAVIA Coach business together are required at the time of enrollment to:</p> <ol style="list-style-type: none"> i. Agree to the terms and conditions of the Independent OPTAVIA Coach Agreement; ii. Submit one Hong Kong ID Card Number for the account; iii. If the spouse Coaches wish to have communications from their business originating from both spouses, designate the Coach business as "Susan and Tom Smith" in the primary account holder position. If the Coaches wish for communications to come from one spouse only, Coaches will need to submit a Co-Applicant Account Add-On Form to add a Co-Applicant (in a secondary account holder position); Coaches will be required to designate only one spouse in the "primary" account holder position, for example, "Susan Smith" as the "primary" and Tom Smith as the "secondary/Co-Applicant." <p>If the spouse of an existing OPTAVIA Coach business later wishes to become an OPTAVIA Coach, he/she can be added to the Coach Account by:</p> <ol style="list-style-type: none"> a. Agreeing to the terms and conditions of the Independent OPTAVIA Coach Agreement; b. Updating the Hong Kong ID Card Number on the account, if necessary; and c. Update the Coach business name in the primary account holder position (i.e., if Coach Susan's spouse is joining the business the Coach business name can be updated from "Susan Smith" to "Susan and Tom Smith") or submit a Co-Applicant Account Add-On Form as outlined under step iii.
<p>Renewing an OPTAVIA Coach Business</p>	<p>Coaches will periodically receive reminders from the Company to renew his/her business. Coaches may renew their businesses by placing an order for a Business Renewal via the OPTAVIA Shopping Cart or by contacting the Coach Support Team. The renewal fee is HKD\$330.00.</p>

<p>Reinstatement of an OPTAVIA Coach Business Within 30 Days of Conversion</p>	<p>Should an OPTAVIA Coach fail to timely renew his/her business, the business will convert to “Client” status. Once the business is converted, the Coach’s downline organization (including all personally sponsored Clients and Coaches) will automatically “roll-up” to the Coach’s Sponsor/Business Coach. Coaches that wish to reinstate their business are permitted to do so (at the discretion of the Company) subject to the following requirements:</p> <ul style="list-style-type: none"> i. Coaches that wish to reinstate their OPTAVIA Coach business within thirty (30) calendar days of conversion may do so by paying an administrative fee, in addition to the renewal fee. Personally sponsored Coaches and Clients will not be restored without written communication via letter, or e-mail (e-mail address must match what is on file with OPTAVIA) from the converted Coach’s Sponsor/Business Coach or from the Coach that rolled up. <p>Please note, the request to restore personally sponsored Coaches that rolled up must be received within thirty (30) calendar days of the Coach’s conversion, otherwise, Personally sponsored Coaches will not be restored to a reinstated Coach.</p> <p>OPTAVIA reserves the right to accept or decline a request for reinstatement of an OPTAVIA Coach business at its sole discretion.</p>
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<p>Reinstatement of an OPTAVIA Coach Business More Than 30 Days After Conversion</p>	<p>Again, should an OPTAVIA Coach fail to timely renew his/her business, the business will convert to “Client” status. Once the business is converted, the Coach’s downline organization (including all personally sponsored Clients and Coaches) will automatically “roll-up” to the Coach’s Sponsor/Business Coach. Coaches that wish to reinstate their business are permitted to do so (at the discretion of the Company) within the following time-frames and subject to the following requirements:</p> <ul style="list-style-type: none"> i. Coaches that wish to reinstate their OPTAVIA Coach business more than thirty (30) calendar days from the date of conversion must purchase a new OPTAVIA Coach Business Kit under the same Sponsor/Business Coach. Personally sponsored Clients will not be restored without written communication via letter, or e-mail (e-mail address must match what is on file with OPTAVIA) from the converted Coach’s Sponsor/Business Coach. ii. Personally sponsored Coaches will not be restored to a reinstated Coach. <p>OPTAVIA reserves the right to accept or decline a request for reinstatement of an OPTAVIA Coach business at its sole discretion.</p>
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<p>Enrolling as a Business Entity</p>	<p>If you wish to enroll your OPTAVIA Coach business as a Business Entity (corporation, partnership, limited liability company, trust, etc.), you are required to complete, sign and submit a Business Entity Addendum. A hard copy of the Business Entity Addendum, signed by all owners of the Business Entity, must also be submitted along with the electronic form.</p> <p>Please note, if changes are subsequently made to an existing Business Entity (such as changes in ownership, entity type, etc.), an amended Business Entity Addendum must be submitted. A hard copy of the amended Business Entity Addendum, signed by all owners of the Business Entity, must also be submitted along with the electronic form.</p>
<p>Reporting Policy Violations</p>	<p>If a Coach observes any Policy violations by other Coaches in the field, he/she shall provide written details of the incident (such as dates, number of occurrences and names of individuals involved, etc.) along with any supporting documentation (such as screen shots of the Policy violation, etc.) and provide same to the Company via the Policy Violation Form. While Coaches may include their contact information when submitting the Policy Violation Form, they are not required to do so.</p>
<p>Returning Products, Business Kits, and Business Support Materials upon Cancellation or Termination of an OPTAVIA Coach Business</p>	<p>Upon voluntary cancellation or termination of an independent OPTAVIA Coach business, the Coach may return his/her Business Kit and any Company-produced Business Support Materials that he or she personally purchased from OPTAVIA within twelve (12) months from the Coach's date of purchase. Any Business Support Materials that are produced by a third party, i.e. non-Company produced, shall not be subject to this return Policy (please note, all products sold at www.OPTAVIAGEAR.com are produced by a third party).</p> <p>Upon the Company's receipt of returned goods and/or Business Support Materials and confirmation that they are in currently marketable condition, the Coach will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. Goods are in "currently marketable condition" if they are unopened and unused and packaging and labeling has not been altered or damaged. Merchandise that is clearly identified at the time of sale as nonreturnable, closeout, discontinued, or as a seasonal item, is not in currently marketable condition. The merchandise must be returned within thirty (30) days from the date of the Coach's cancellation/termination.</p> <p>Returns may be submitted by written request and must be accompanied by proof of payment, invoice, or packing slip and a Return Authorization Number.</p>
<p>Order Returns & Refunds</p>	<p>OPTAVIA's Hong Kong Return Policy may be found at www.OPTAVIA.com/hk/return-policy.</p>

<p>Canceling an OPTAVIA Coach Business</p>	<p>An OPTAVIA Coach can cancel his/her business by:</p> <ul style="list-style-type: none"> i. Declining to renew his/her OPTAVIA business after twelve (12) months. Clients and personally sponsored Coaches will roll-up to the canceling Coach's Sponsor/ Business Coach; OR ii. Resigning in writing at any time, regardless of reason. Resignation must be submitted to the Company from the e-mail address that is on file with the Company to: renewals@OPTAVIA.com. Upon receipt of resignation from the Coach, the OPTAVIA Coach business will be cancelled, all commissions and bonuses will be forfeited and all Clients and personally sponsored Coaches will roll-up to the resigning Coach's Sponsor/Business Coach. <p>Please note, Coach commissions are calculated on a weekly and monthly basis in arrears to account for any adjustments to commissions that may be needed after the close of the week and/or month. Therefore, commissions are not finalized and payable to the Coach until several days after the close of the week and/or month, once the Company has completed the calculation of commissions.</p> <p>If a Coach resigns from his/her Coaching business, no further commissions will be paid to the Coach from the date the resignation is submitted to the Company, therefore, if the Coach resigns before the weekly or monthly commissions are finalized, the Coach will forfeit those unpaid commissions.</p> <p>The Company suggests that, before cancelling or resigning his/her business, that the Coach reach out to renewals@OPTAVIA.com to coordinate their resignation to ensure receipt of payment of any weekly or monthly bonuses that may not have been finalized.</p>
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<p>Appealing Disciplinary Sanctions</p>	<p>OPTAVIA has the right to impose any of the disciplinary sanctions outlined in the Policies. Should the Company elect to institute disciplinary sanctions against a Coach, the Coach has the ability to appeal the sanctions as follows:</p> <ul style="list-style-type: none"> i. The Coach will have twenty (20) days from the date of the Company's letter outlining the disciplinary sanctions in which to submit an appeal. The Company must receive the Coach's written appeal correspondence within twenty (20) days of the date of the Company's letter. If the appeal is not received within the 20-day period, the disciplinary sanction(s) will automatically be deemed final; ii. If the Company receives a timely appeal of the disciplinary sanction(s), the Company's Policy Committee will review and reconsider the disciplinary sanction(s), consider any other appropriate action(s), and notify the Coach, the Coach's Sponsor and first qualified Executive Business Leader of its decision concerning the Appeal; iii. The Policy Committee's decision concerning the appeal will be final and subject to no further review. In the event a termination or suspension is not rescinded, the termination or suspension will be effective as of the date of the Company's original letter to the Coach.
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<p>Business Transfer (Sale of an OPTAVIA Coach Business)</p>	<p>To effect a transfer or sale of an OPTAVIA Coach business, the following must take place:</p> <ol style="list-style-type: none"> i. The Seller Coach (“Seller”) must submit a Business Transfer Request Form, this Form will also serve as notice to the Company of the Seller’s intention to transfer/sell the business; ii. Once the Company receives the Business Transfer Request Form from the Seller, the Company has the right of first refusal to purchase the business, at the same terms and conditions and sale price as that offered to other eligible purchasers. The Company shall have seven (7) business days from receipt of the Business Transfer Request Form within which to exercise its right of first refusal. If the Company exercises its right of first refusal, the purchased business will “compress” or “roll-up;” iii. If the Company declines to purchase the business within 7 days, the Seller may then offer to transfer/sell the business to other parties eligible to purchase; iv. The Seller must receive prior written authorization to transfer/sell the business before the Seller may proceed with the transaction; v. If the Company approves the transfer/sale and the purchasing Coach (“Purchaser”) is an existing OPTAVIA Coach, the transferred business will be operated by the Purchaser as a second business and remain in its current position in the line of sponsorship; vi. If the Company approves the transfer/sale and the Purchaser is an individual who is not a current OPTAVIA Coach, the Purchaser must submit a signed Independent OPTAVIA Coach Agreement to the Company; vii. If the business being transferred/sold is an entity (corporation, partnership, Limited Liability Company, trust, etc.), the Purchaser is required to complete, sign and submit an amended Business Entity Addendum. A hard copy of the amended Business Entity Addendum signed by all owners of the Business Entity must also be submitted along with the electronic form.
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<p>Business Transfer Upon Death</p>	<p>To effect the transfer of an independent OPTAVIA Coach business upon the death of a Coach, the successor to the OPTAVIA Coach business must provide the following to the Company:</p> <ol style="list-style-type: none"> i. A copy of the deceased Coach’s death certificate; ii. A certified copy of the will or other testamentary instrument establishing the successor’s right to the business; iii. If the successor to the OPTAVIA Coach business is not an existing Coach, the individual must submit a signed Independent OPTAVIA Coach Agreement to the Company. If the individual is an existing OPTAVIA Coach, the transferred business will be operated as a second business by the successor Coach and remain in its current position in the line of sponsorship; iv. If the business is an entity (corporation, partnership, Limited Liability Company, trust, etc.), the successor to the OPTAVIA Coach business is also required to complete, sign and submit an amended Business Entity Addendum. A hard copy of the amended Business Entity Addendum signed by all owners of the Business Entity must also be submitted along with the electronic form. <p>All testamentary documentation must be provided to the OPTAVIA Compliance Department (hkcompliance@OPTAVIA.com).</p>
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<p>Business Transfer Upon Divorce</p>	<p>To effect the transfer of an OPTAVIA business upon the divorce of spouses running the business, the following must be provided to the Company:</p> <ul style="list-style-type: none"> i. A final divorce decree, court order or written agreement (signed by both spouses) concerning the disposition of the independent OPTAVIA Coach business. <p>Upon Company's receipt of the divorce decree, court order or written agreement concerning the disposition of the business, the business shall be transferred to the individual ordered by the court or as agreed to in writing by the parties.</p> <p>The Company reserves the right to verify all documentation provided by the Coaches concerning the disposition of the business. Please submit all divorce documentation to the OPTAVIA Compliance Department (hkcompliance@OPTAVIA.com).</p>
<p>Becoming a Sponsor</p>	<p>Sponsoring a new Coach is simple, please direct the individual to:</p> <ul style="list-style-type: none"> ii. Visit your replicated OPTAVIA website to purchase an OPTAVIA Business Kit; OR iii. Call the Coach Support Team to purchase an OPTAVIA Business Kit. Be sure the individual has his/her credit card information, your name and your Coach ID number.
<p>Coach Sponsor Transfer Requests Within 30 Days of Enrollment</p>	<p>For Coach Sponsor Transfer requests submitted within 30 days of the Coach's enrollment:</p> <ul style="list-style-type: none"> i. The Coach must submit a Sponsor Transfer Request Form; ii. The Sponsor Transfer Request Form must include an explanation for the change, along with the name and Coach Identification number of the requested Sponsor; iii. The Company will review; and iv. If approved (approval is at the Company's sole discretion), the Company will administratively move the Coach to the requested Sponsor.
<p>Client Transfers (Client-Initiated)</p>	<p>Client support is very important to OPTAVIA. Occasionally, a Client may request the support of a different Coach than the Coach who initially introduced him or her to OPTAVIA. Clients have the right to select the Coach that best meets his/her individual support needs. If a Client wishes to transfer to a new Coach:</p> <ul style="list-style-type: none"> i. The Client must submit a Client Transfer Request Form (Client-Initiated). <p>Transfers may take between 1 to 3 business days to process, and once approved, will be made effective the date the request was received by the Company.</p> <p>All volume that appeared prior to the date the Company receives the Request will not move with the Client, but remain with the previous Coach. Any orders placed after the transfer has been received and approved will be credited to the new Coach.</p>

<p>Client Transfers (Coach-Initiated)</p>	<p>A Coach may feel transferring a Client to a new Coach would best serve the needs of the Client (e.g. in the case of an inactive Client), if a Coach wishes to transfer the Client:</p> <ul style="list-style-type: none"> i. The Coach can submit a Client Transfer Request Form (Coach-initiated) on the Client's behalf. <p>Transfers may take between 1 to 3 business days to process, and once approved, will be made effective the date the request was received by the Company.</p> <p>All volume that appeared prior to the date the Company receives the Request will not move with the Client, but remain with the previous Coach. Any orders placed after the transfer has been received and approved will be credited to the new Coach.</p>
<p>Bulk Client Transfers</p>	<p>Coaches requesting to transfer ten (10) or more personally sponsored/front-line entities (Clients, Leads, Inactives) to a new Coach must submit a Bulk Client Transfer Request Form. Due to the administrative effort involved, bulk transfers of Clients, Leads and Inactives require payment of an administrative fee, which are reflected below in Hong Kong Dollars:</p> <ul style="list-style-type: none"> i. HKD\$200.00* for 10-25 front-line entities (Clients, Leads, Inactives); ii. HKD\$395.00* for 26-50 front-line entities (Clients, Leads, Inactives); iii. HKD\$590.00* for 51-75 front-line entities (Clients, Leads, Inactives); iv. HKD\$785.00* for 76-100 front-line entities (Clients, Leads, Inactives); v. HKD\$1,965.00* for 101-250 front-line entities (Clients, Leads, Inactives); and vi. HKD\$3,925.00* for 251 + front-line entities (Clients, Leads, Inactives). <p>The administrative fees will be assessed based on the total number of Bulk Transfers requested within a commission week (Monday - Sunday). For example, if a Business Coach opts to give 5 front-line entities each to 10 downline Coaches, a HKD\$395 fee will be levied, since the total transfer of front-line entities equals 50.</p> <p>Please keep in mind that Clients always have the right to select their own Coach. No fee will be assessed for Client-initiated transfers.</p> <p>In addition, the Company has the right to review and approve all Bulk Transfers to ensure that they are in compliance with OPTAVIA Policies. Bulk transfers take between 1 to 3 business days to process and will not be considered until payment of the administrative fee is received. Please contact the Coach Support Team to submit your payment.</p> <p>Again, all volume that appeared prior to the date the Company receives the Request will not move with the Client, but remain with the previous Coach. Any orders placed after the transfer has been received and approved will be credited to the new Coach.</p> <p>*Administrative fees are approximate and subject to change.</p>

<p>Coach-Created Business Support Materials</p>	<p>OPTAVIA has arranged for approved Business Support Materials to be available to Coaches for use in promoting the Company’s products and programs. These materials are available on OPTAVIA CONNECT.</p> <p>However, if Coaches have particular needs for OPTAVIA Business Support Materials that are not available through the Company, the Coach may create and submit certain Coach-Created Business Support Materials (such as flyer’s, pamphlets or banners) for the Company to review; Coaches are NOT permitted to create branded merchandise or apparel (such as hats, water bottles, t-shirts, etc.).</p> <p>Coaches shall submit a Business Support Materials Request Form along with a copy or mock-up of the proposed Materials for the Company to review.</p> <p>Please note, OPTAVIA is under no obligation to approve Coach-Created Business Support Materials submitted. In addition, to the extent that the Company approves any Coach-Created Business Support Materials, the Company reserves the right to rescind the approval of same at its sole discretion. Coaches waive any claim for damages or remuneration for any losses that they may incur resulting from or relating to the Company’s decision to rescind its prior approval.</p>
<p>Permitted Coach Advertising</p>	<p>Coaches are permitted to place certain advertisements pursuant to the OPTAVIA Policies, for example, Coaches are permitted to advertise their services in Local Classified Publications, and On-line Classifieds. However, these aforementioned advertisements must be reviewed by the Company before being placed by the Coach. The Coach should submit a Coach Advertising Request Form in order to obtain approval.</p> <p>Please note, OPTAVIA is under no obligation to approve Coach Advertisements submitted. In addition, to the extent that the Company approves any Coach-Created Advertisements, the Company reserves the right to rescind the approval of same at its sole discretion. Coaches waive any claim for damages or remuneration for any losses that they may incur resulting from or relating to the Company’s decision to rescind its prior approval.</p>
<p>Field-Training Materials</p>	<p>Materials used to support and train a Coach’s personally sponsored Coaches or others in his/her downline organization are not required to be reviewed by the Company, so long as they are in compliance with OPTAVIA Policies. However, should a Coach have any doubt concerning whether or not Field Training Materials are in compliance with all relevant OPTAVIA Policies, the Coach should submit a Field Training Materials Request Form.</p>
<p>Interaction with the Media</p>	<p>All Media contacts, inquiries and/or opportunities should be immediately referred to the Company. If you are contacted by the media, please submit a Public Relations Opportunity Form. Our Public Relations team will be in touch with you shortly thereafter.</p> <p>Please note, unless you receive approval from the Company, Coaches are not permitted to speak with the Media.</p>