

OPTAVIA “BUSINESS BUILDER BONUS” INCENTIVE

OFFICIAL TERMS & CONDITIONS

NO PURCHASE NECESSARY. VOID WHERE PROHIBITED OR RESTRICTED BY APPLICABLE FEDERAL, STATE, OR LOCAL LAWS AND REGULATIONS. OPEN ONLY TO RESIDENTS OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, AND OTHER LOCALES UNDER THE UNITED STATES JURISDICTION, INCLUDING PUERTO RICO, GUAM, U.S. VIRGIN ISLANDS AND OTHER PROTECTED U.S. TERRITORIES. MUST BE 18 YEARS OF AGE AND OLDER. INTERNET ACCESS AND EMAIL ACCESS IS REQUIRED.

1. **BINDING AGREEMENT:** By participating in the **OPTAVIA** Business Builder Bonus Incentive (the “Incentive”), you fully and unconditionally agree to accept these Official Terms and Conditions (“Terms and Conditions”) and the decisions of the Sponsor, **OPTAVIA**, LLC (“**OPTAVIA**” or “Sponsor”) which are final and binding in all matters related to the Incentive. To be eligible for the Incentive, you must fulfill all requirements set forth herein.
2. **ELIGIBILITY:** This Incentive is open to residents of the United States, the District of Columbia, and other locales under the United States jurisdiction, including, Puerto Rico, Guam, U.S. Virgin Islands and other protected U.S. territories and who are, during the Incentive Qualification Period (“Qualification Period”), at least 18 years of age or older and are also an independent “**OPTAVIA** Coach” (“Coach” or “Participant”), which is defined as an individual who has purchased an **OPTAVIA** Coach Business Kit, who is in good standing and without disciplinary action (i.e., in compliance with the **OPTAVIA** Official Policies, Procedures, Independent **OPTAVIA** Coach Agreement, and Integrated Compensation Plan (collectively “the Agreement”). **OPTAVIA**, its respective agencies, any of its respective parent companies, subsidiaries, officers, directors, partners, principals, partnerships, employees or agents (collectively, “the Incentive Entities”) and their immediate family members (defined as spouse, mother, father, sisters, brothers, sons and daughters, regardless of where they reside) and members of their households (whether related or not) are ineligible to participate in this Incentive.
3. **QUALIFICATION PERIOD:** The Qualification Period begins 12:00 a.m. PST August 1, 2020 and ends 11:59 p.m. PST October 31, 2020.
4. **INCENTIVE DEFINITIONS:** This Incentive uses the following defined terms:
 - a. “Bonus Eligibility Period”: This is the period during which a Coach may be eligible to receive a Business Builder Bonus It begins at 12:00 a.m. PST August 1, 2020 and ends at 11:59 p.m. PST October 31, 2020.
 - b. “Business Builder Bonus” or “Bonus”: A tiered bonus paid as a percentage of the Frontline Compensation Volume (FCV) of New Coaches personally sponsored by an **OPTAVIA** Coach during the Sponsoring Period.
 - c. “Monthly Bonus Period”: This is the period during which qualifications for the Business Builder Bonus will be assessed. It begins at 12:00 AM Pacific Standard Time (PST) on the first calendar day of each month during the Bonus Eligibility Period and ends on the last day of each month during the Bonus Eligibility Period at 11:59 PM Pacific Standard Time (PST).
 - d. “New Coach”: an individual who has never purchased an **OPTAVIA** Business Kit.
 - e. “Sponsoring Coach”: an individual who has personally sponsored a New Coach during the Sponsoring Period.
 - f. “Sponsoring Period”: is the period during which a Coach may sponsor a New Coach and may qualify for a Business Builder Bonus. It begins at 12:00 a.m. PST August 1, 2020 and ends at 11:59 p.m. PST August 31, 2020.

5. INCENTIVE QUALIFICATIONS: To be eligible to receive a Business Builder Bonus, a Sponsoring Coach must:
 - a. Personally sponsor a New Coach during the Sponsoring Period; and
 - b. Generate a minimum of 1,200 in Frontline Qualifying Volume (“FQV”) in a Monthly Bonus Period

6. BUSINESS BUILDER BONUSES:

- a. A Sponsoring Coach will be eligible to receive a bonus on all the FCV of New Coaches personally sponsored during the Sponsoring Period. The Sponsoring Coach will be eligible to receive bonuses during the Bonus Eligibility Period.
- b. The Sponsoring Coach must have a minimum of 1,200 FQV in a Monthly Bonus Period in order to be eligible to potentially receive a Bonus for that month. For example, if a Sponsoring Coach achieves a minimum 1,200 FQV in the Monthly Bonus Period of August, the Sponsoring Coach is eligible to receive a Bonus on any FCV of New Coaches sponsored during the Sponsoring Period.
- c. A Sponsoring Coach can drop below the minimum FQV in a Monthly Bonus Period and still be eligible to receive a Bonus in a subsequent month of the Bonus Eligibility Period, if the Sponsoring Coach achieves a minimum 1,200 FQV in a subsequent month of the Bonus Eligibility Period. For example, if the Sponsoring Coach has 1,200 FQV in the month of August (and sponsors a New Coach during the Sponsoring Period) but the Sponsoring Coach only has 600 FQV in the month of September, while the Sponsoring Coach will not be eligible to receive a Bonus in the month of September, should the Sponsoring Coach have a minimum of 1,200 FQV in the month of October, the Sponsoring Coach will again be eligible for a Bonus in that final month of the Bonus Eligibility Period.
- d. Bonuses will only be eligible for sponsoring that takes place during the Sponsoring Period. No Bonuses will be eligible for sponsoring activity that takes place before or after the Sponsoring Period.
- e. The amount of FQV generated by the Sponsoring Coach determines the percentage of Business Builder Bonus paid to the Sponsoring Coach in any given Monthly Bonus Period. Once a Sponsoring Coach reaches a certain FQV threshold, that Sponsoring Coach will earn a corresponding percentage of the FCV of New Coaches personally sponsored by that Coach during the Sponsoring Period. The Bonus is calculated by multiplying the corresponding percentage by the combined FCV of eligible New Coaches that were sponsored, as demonstrated in the following table:

FQV of Sponsoring Coach in a Monthly Bonus Period	Percentage of Business Builder Bonus Paid to the Sponsoring Coach during the Monthly Bonus Period	Hypothetical Example
1,200-3,599.99	5% Bonus on all the FCV of New Coaches sponsored during the Sponsoring Period.	Sponsoring Coach has 1,200 FQV in August and sponsors a New Coach during the Sponsoring Period; the New Coach generates 400 FCV in August. In this example, the Sponsoring Coach will receive a \$20.00 Bonus for the month of August (5% of 400 FCV = \$20.00)
3,600 - 5,999.99	7% Bonus on all the FCV of New Coaches sponsored during the Sponsoring Period.	Sponsoring Coach has 3,600 FQV in September and sponsors 3 New Coaches during the Sponsoring Period; the New Coaches generate a combined total of 1,600 FCV in September. In this example, the Sponsoring Coach will receive a \$112.00 Bonus for the month of September (7% of 1,600 FCV = \$112.00)
6,000+	9% Bonus on all the FCV of New Coaches sponsored during the Sponsoring Period.	Sponsoring Coach has 6,000 FQV in October and sponsors 5 New Coaches during the Sponsoring Period; the New Coaches generate a combined total of 2,000 FCV in October. In this example, the Sponsoring Coach will receive a \$180.00 Bonus for the month of October (9% of 2,000 FCV = \$180.00)

- f. A Bonus will be paid regardless of the rank of either the Sponsoring Coach or New Coach.
- g. This Incentive allows for “compression” or “roll-up,” in the event that the Sponsoring Coach is terminated or fails to renew his/her **OPTAVIA** Coach business. For example, if after sponsoring a New Coach, the Sponsoring Coach is terminated or fails to renew his/her **OPTAVIA** Coach Business, the New Coach will roll-up to the next immediate Coach in the Line of Sponsorship. The Coach that the New Coach rolls up to is now the “Sponsoring Coach” and if any months remain in the Bonus Eligibility Period, the Sponsoring Coach may be eligible to receive a Bonus, so long as the Sponsoring Coach has a minimum of 1,200 FQV in the Monthly Bonus Period.
- h. If a Sponsoring Coach does not have 1,200 FQV in a Monthly Bonus Period, the bonus does not roll-up to the next Coach in the line of sponsorship. “Compression” or “roll-up” only occurs if the original sponsoring Coach has been terminated or reverted to Client status for failure to renew his/her **OPTAVIA** Coach business. Bonuses will be paid out to the Sponsoring Coach listed in the Company’s system at the close of the Monthly Bonus Period.

7. ADDITIONAL INCENTIVE TERMS:

- a. **OPTAVIA** reserves the right to amend the Terms and Conditions at any time and at its sole discretion.
- b. By participating in the Incentive, the Coach agrees to be bound by the Terms and Conditions and the decisions of **OPTAVIA** and to waive any right to claim ambiguity in these Terms and Conditions.
- c. Sponsor may collect personal data about Coaches who participate in the Incentive (including, without limitation, name, phone number, and e-mail); personal data will be collected pursuant to the Company’s Privacy Policy.
- d. **OPTAVIA** reserves the right to interpret the Incentive Qualifications at its sole discretion.
- e. **OPTAVIA** reserves the right to audit and verify that all Incentive Qualifications and requirements were met compliantly and by following the **OPTAVIA** Official Policies, Procedures, Independent **OPTAVIA** Coach Agreement, and the Integrated Compensation Plan (all of these items are collectively referred to as “the Agreement”). **OPTAVIA** reserves the right to revoke any Incentives which were achieved through non-compliant activities on the part of the Coach and/or were in violation of the Agreement.
- f. **OPTAVIA** does not allow or condone manipulation or fraudulent activity associated with the Incentive or Compensation Plan and, as such, **OPTAVIA** reserves the right to conduct an investigation prior to making any determinations concerning qualification for the Incentive. The discovery by **OPTAVIA** of any manipulation or fraudulent activity will be grounds for disqualification from the Incentive and potential disciplinary action pursuant to the **OPTAVIA** Policies and Procedures. Manipulation of this Incentive or the Company’s Compensation Plan includes, but is not limited to, using Wellness Credits to purchase full orders for Clients and/or Coaches; Wellness Credits may only pay for a maximum of 50% of an order (for one of the purposes outlined in the Policies and Procedures) in order to be considered compliant. Additionally, placing orders under other Coach’s accounts and/or personally purchasing items under fictitious or actual accounts is considered manipulation.
- g. The account of any Coach, which was subject to disciplinary action during the Qualification Period, or at any time prior thereto, is subject to a review by **OPTAVIA** and is subject to disqualification from this Incentive.

- h. Sponsor reserves the right to cancel, suspend, and/or modify the Incentive and/or extend or delay the Incentive Qualification Period or any part thereof: (1) for any reason, (2) due to force majeure (e.g. an act of war, pandemic or terror), or (3) if any other factor beyond Sponsor's reasonable control impairs the integrity or proper functioning of the Incentive in any manner, or for any reason related to the administration of the Incentive, as determined by Sponsor in its sole discretion. In the event the Incentive is not capable of running as planned, including due to infection by computer virus or bugs, tampering, unauthorized intervention, fraud, technical failures, or any other causes beyond the control of Sponsor, which corrupt or affect the operation, administration, security, fairness, integrity or proper conduct of the Incentive, Sponsor may, in its sole and absolute discretion and without any fault or liability, void any suspect entries and (a) cancel the Incentive; (b) modify the Incentive or suspend the Incentive to address the impairment and then resume the Incentive in a manner that best conforms to the spirit of these Terms and Conditions; and/or (c) award the Incentive from among the eligible, non-suspect Participants up to the time of the impairment in accordance with the criteria in these Terms and Conditions.
 - i. At its sole discretion, Sponsor may disqualify any Coach whom it considers to have intentionally violated these Terms and Conditions or any element of this Incentive. By participating, the Coach agrees to be bound by the Terms and Conditions and the decisions of Sponsor and to waive any right to claim ambiguity in these Terms and Conditions. The Incentive Entities are not responsible for technical, hardware, software, or telephone failures of any kind, lost or unavailable network connections, fraud, incomplete, garbled, or delayed computer transmissions, whether caused by Sponsor, users or by any of the equipment or programming associated with or utilized in the Incentive or by technical or human error which may occur and/or which may damage a user's system, hardware or software or limit a Coach's ability to participate in the Incentive.
 - j. ALL TAXES ASSOCIATED WITH THE RECEIPT OF BONUSES ARE THE SOLE RESPONSIBILITY OF THE ACHIEVING COACH.
 - k. Any undefined terms used throughout these Terms and Conditions shall be understood and construed as set forth and used in **OPTAVIA's** current Policies, Procedures and Integrated Compensation Plan (the "Agreement"). Should any conflicts exist between the definitions under these Terms and Conditions and the Agreement, the definition under these Terms and Conditions will govern.
8. **ARBITRATION:** Except where prohibited by law, as a further condition of participating in this Incentive, Participants agree that (a) any and all disputes and causes of action arising out of or connected with this Incentive shall be resolved individually, without resort to any form of class action, and exclusively, by final and binding arbitration under the rules of JAMS (alternative dispute resolution service) ("JAMS"); (b) the Federal Arbitration Act shall govern the interpretation, enforcement and all proceedings at such arbitration; (c) judgment upon such arbitration award may be entered in any court having jurisdiction; and (d) these Terms and Conditions, and this Incentive, shall be governed by the laws of the State of Maryland. All arbitration proceedings and rules, and all materials produced pursuant to the arbitration, shall be strictly confidential. All proceedings shall be conducted in the city of the Sponsor's corporate headquarters. Except as prohibited by law, the parties waive all rights and claims to punitive, incidental or consequential damages, including attorney's fees, and Participants further waive all rights to have damages multiplied or increased.

9. INDEMNIFICATION AND LIMITATION OF LIABILITY: BY ENTERING THE INCENTIVE, EACH PARTICIPANT AGREES TO INDEMNIFY, RELEASE AND HOLD HARMLESS THE SPONSOR AND ITS RESPECTIVE PARENT, AFFILIATE AND SUBSIDIARY COMPANIES (INCLUDING BUT NOT LIMITED TO, MEDIFAST, INC.), ITS ADVERTISING AND PROMOTIONAL AGENCIES, AND ALL THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES AND AGENTS FROM ANY LIABILITY, DAMAGES, LOSSES OR INJURY (INCLUDING, WITHOUT LIMITATION, DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES) WHETHER ARISING IN TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), CONTRACT, WARRANTY, STRICT LIABILITY, RELIANCE OR UNDER ANY OTHER THEORY RESULTING IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, FROM THAT PARTICIPANT'S PARTICIPATION IN THE INCENTIVE AND/OR THE ACCEPTANCE, USE OR MISUSE OF ANY PRIZE(S) THAT MAY BE WON, AND WHETHER OR NOT THE INCENTIVE ENTITIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE INCENTIVE ENTITIES AND THEIR RESPECTIVE PARENTS, AFFILIATES AND SUBSIDIARY COMPANIES DO NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF ANY REWARD(S).
10. WEBSITE USE: Participant understands and agrees that the download or installation of any content or program, and/or the use of the Sponsor's website and all other elements of this Incentive are at Participant's own discretion and risk. The Incentive Entities and their parents, subsidiaries, affiliates (including but not limited to Medifast, Inc.), advertising and promotional agencies, all their respective officers, directors, employees, representatives and agents disclaim any liability for damage to any computer system or loss of data resulting from access to or the download of information or materials connected with the Incentive. Participants expressly acknowledge and agree that use of the Sponsor's website and all other elements of this Incentive are at Participant's sole risk. All elements of this Incentive are provided on an "as-is" and "as available" basis and you assume full responsibility and risk for use of the Sponsor's website, the internet, and all other elements of this Incentive. Participants understand that the Incentive Entities do not make any representations or warranties regarding the reliability, timeliness, availability, and/or performance of any elements of this Incentive.
11. INTELLECTUAL PROPERTY: The Incentive Official Terms and Conditions and all related web pages, content and code are the property of the Sponsor or authorized third parties. The copying or unauthorized use of any of those materials, associated trademarks or any other intellectual property without the express written consent of its owner is strictly prohibited.
12. SEVERABILITY: If any term or other provision of these Official Terms and Conditions is determined to be invalid, illegal or incapable of being enforced by any rule or law, or public policy, such provisions shall be severed and all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.
13. SPONSOR: The Sponsor of this Incentive is **OPTAVIA** LLC (the "Sponsor"), a Delaware Corporation whose principal business address is 100 International Drive, 18th Floor, Baltimore, MD 21202.