

## Appendix G - **OPTAVIA** PROCEDURES - U.S.

### Enrolling as an Independent **OPTAVIA** Coach

You may enroll as an independent **OPTAVIA** Coach by completing the following steps:

- 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 at 888.**OPTAVIA** (888.678.2842). You are not required to purchase any other products or other materials to become a Coach with **OPTAVIA**.

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.

### Enrolling as a Married Couple

Spouses that wish to start an Independent **OPTAVIA** Coach business together are required at the time of enrollment to:

- i. Agree to the terms and conditions of the Independent **OPTAVIA** Coach Agreement;
- ii. Submit one W-9 form for the Coach Account; and
- 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."

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:

- i. Agreeing to the terms and conditions of the Independent **OPTAVIA** Coach Agreement;
- ii. Updating the W-9 form, if necessary; and
- iii. Updating the Coach business name in the primary account holder position or submit a Co-Applicant Account Add-On Form as outlined under step iii.

### Renewing an **OPTAVIA** Coach Business

Coaches are responsible for ensuring the timely renewal of their 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 at 888.**OPTAVIA** (888.678.2842).

## Reinstatement of an **OPTAVIA** Coach Business Within 30 Days of Conversion

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:

- 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 a submitted request from the converted Coach's Sponsor/Business Coach via the **OPTAVIA** [Bulk Client Transfer Request Form](#). All Coaches and Clients must be included on this form in order for them to be restored. Alternatively, the Coach's Sponsor/Business Coach or the Coach that rolled up may email [changes@OPTAVIA.com](mailto:changes@OPTAVIA.com)

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.

**OPTAVIA** reserves the right to accept or decline a request for reinstatement of an **OPTAVIA** Coach business at its sole discretion.

## Reinstatement of an **OPTAVIA** Coach Business More Than 30 Days After Conversion

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:

- 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 fax, 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.

**OPTAVIA** reserves the right to accept or decline a request for reinstatement of an **OPTAVIA** Coach business at its sole discretion.

## Enrolling as a Business Entity

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.

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.

## Reporting Policy Violations

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.

## Returning Products, Business Kits, and Business Support Materials upon Cancellation or Termination of an **OPTAVIA** Coach Business

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 (the one year limitation shall not apply to residents of Maryland, Massachusetts, Wyoming and Puerto Rico) 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](http://www.OPTAVIAGEAR.com) are produced by a third party). In addition, residents of Georgia, Idaho, Louisiana, Maryland, Montana, Massachusetts, Oklahoma, Texas, Wyoming, and Puerto Rico may return any products that they purchased from the Company within one (1) year prior to the date of their cancellation so long as the products are in currently marketable condition.

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.

Returns may be submitted by written request and must be accompanied by proof of payment, invoice, or packing slip and a Return Authorization Number. Shipping labels related to the return of Business Kits will be provided by the Company at no cost to the Coach. Upon receipt and inspection of the return, the Company will process any appropriate refund, minus any setoffs owed to the Company for returned products, etc.

## Order Returns & Refunds

**OPTAVIA**'s U.S. Return Policy may be found at [www.OPTAVIA.com/return-policy](http://www.OPTAVIA.com/return-policy).

## Canceling an **OPTAVIA** Coach Business

An **OPTAVIA** Coach can cancel his/her business by:

- 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](mailto: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.

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.

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.

The Company suggests that, before cancelling or resigning his/her business, that the Coach reach out to [renewals@OPTAVIA.com](mailto:renewals@OPTAVIA.com) to coordinate their resignation to ensure receipt of payment of any weekly or monthly bonuses that may not have been finalized.

## Appealing Disciplinary Sanctions

**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:

- 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 other members of the Coach's upline as the Company deems appropriate, 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.

## Business Transfer (Sale of an **OPTAVIA** Coach Business)

To effect a transfer or sale of an **OPTAVIA** Coach business, the following must take place:

- i. The Seller Coach ("Seller") must submit a [Business Transfer/Sale Request Form](#), this Form will also serve as notice to the Company of the Seller's intention to transfer/sell the business. Along with the submission of this Form, the Seller must submit a copy of the final purchase agreement for the sale;
- ii. Once the Company receives the [Business Transfer/Sale 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/Sale Request Form](#) within which to exercise its right of first refusal.
- 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.

## Business Transfer Upon Death

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:

- 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.

All testamentary documentation must be provided to the **OPTAVIA** Compliance Department ([compliance@OPTAVIA.com](mailto:compliance@OPTAVIA.com))

## Business Transfer Upon Divorce

To effect the transfer of an **OPTAVIA** business upon the divorce of spouses running the business, the following must be provided to the Company:

- i. A final divorce decree, court order or written agreement (signed by both spouses and notarized by a notary public) concerning the disposition of the independent **OPTAVIA** Coach business.

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.

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 ([compliance@OPTAVIA.com](mailto:compliance@OPTAVIA.com)).

## Becoming a Sponsor

Sponsoring a new Coach is simple, please direct the individual to:

- i. Visit your replicated **OPTAVIA** website to purchase an **OPTAVIA** Business Kit; OR
- ii. Call the Coach Support Team at 888.**OPTAVIA** (888.678.2842), to purchase an **OPTAVIA** Business Kit. Be sure the individual has his/her credit card information, your name and your Coach ID number.

## Coach Sponsor Transfer Requests Within 30 Days of Enrollment

For Coach Sponsor Transfer requests submitted within 30 days of the Coach's enrollment:

- 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.

## Client Transfers (Client-Initiated)

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 their individual support needs. If a Client wishes to transfer to a new Coach:

- i. The Client may submit a request from their "My Account" page. Detailed instructions on how to request a transfer can be found here: <https://ANSWERS.OPTAVIA.com/help/how-to-change-your-coach>

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.

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.

## Client Transfers (Coach-Initiated)

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:

- i. The Coach can submit a [Client Transfer Request Form \(Coach-initiated\)](#) on the Client's behalf.

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.

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.

## Bulk Client Transfers

Coaches requesting to transfer ten (10) or more personally sponsored Clients to a new Coach must submit a [Bulk Client Transfer Request Form](#). Due to the administrative effort involved, bulk transfers of Clients require payment of an administrative fee according to the following schedule below:

- i. \$25.00 for 10-25 frontline Clients
- ii. \$50.00 for 26-50 frontline Clients
- iii. \$75.00 for 51-75 frontline Clients
- iv. \$100.00 for 76-100 frontline Clients
- v. \$250.00 for 101-250 frontline Clients; and
- vi. \$500.00 for 251 + frontline Clients.

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 frontline Clients each to 10 downline Coaches, a \$50 fee will be levied, since the total transfer of frontline Clients equals 50.

Please keep in mind that Clients always have the right to select their own Coach. No fee will be assessed for Client-initiated transfers.

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 at 888.**OPTAVIA** (888.678.2842) to submit your payment.

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.

## Permitted Coach Advertising

Coaches are permitted to place certain advertisements pursuant to the **OPTAVIA** Policies, for example, advertisements on local radio to promote local **OPTAVIA** Coach events. Coaches are also permitted to advertise their services in Telephone Directories (Yellow and White Pages), via Community Newspapers/ Local Classified Publications, and Online 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.

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. .

## Field-Training Materials

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 the Field Training Materials to [compliance@OPTAVIA.com](mailto:compliance@OPTAVIA.com) for review.

## Interaction with the Media

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.

Please note, unless you receive approval from the Company, Coaches are not permitted to speak with the Media.