

POLICIES & PROCEDURES (P&P) / COMPENSATION PLAN MOST COMMON "DON'TS"

- 1) **Online Marketplaces:** Coaches are expressly prohibited from advertising the Coach opportunity or selling Beachbody products on online marketplaces, which include **eBay, Amazon, iOffer, Craigslist and other similar sites** (section 3.32).
- 2) **Keywords:** Exhibit A of the Policies and Procedures (P&P) lists Beachbody Company and Product names which are expressly prohibited for use by any Coach in **keywords, URL domain names, usernames and other Internet Search Engine optimization, including meta tag keywords**. Any confusingly similar variations of these keywords (such as PX90 rather than P90X) are similarly prohibited (section 3.2.3).
- 3) **Product Pricing:** Coaches are not permitted to sell or advertise products below the published pricing. Any additional **discounting or incentives**, such as free or reduced shipping charges, are similarly prohibited unless offered directly by Beachbody (section 5.2). The current Beachbody price list and incentives can be found on the teambeachbody.com website.
- 4) **Income Claims:** When making income claims, Coaches must always include the Income Claim Statement which is a disclaimer regarding any income claims or references, and ANY claims of guaranteed income are expressly prohibited. The Income Claim Statement can be found in section 3.6.3 of the P&P. In addition, when making income claims, Coaches must direct customers to the Statement of Independent Coach Earnings, the most current version of which is located at www.teambeachbody.com/incomechart.pdf. As the FTC and several states have specific laws and regulations regarding income claims and testimonials, it is **MANDATORY** that Coaches comply with this policy as failure to do so not only violates Company policy but also violates federal and state regulations.
- 5) **Message Boards:** The Boards were developed for the sole purpose of supporting the member community. Accordingly Coaches are not allowed to recruit members in any manner, including telling members to contact them offline (section 3.2.7). Similarly the WOWY Cool Down chat room is to be used for the motivation and support of fellow fitness members. Any recruiting or solicitation is therefore strictly prohibited.
- 6) **International Marketing:** Coaches are permitted to register as a Beachbody Coach and offer and sell Beachbody products in only those countries for which the Company is approved to conduct business, which currently is only the **United States** (section 3.18). Although Beachbody is currently in the process of registering for Canada operations, until it secures Canadian approval, NO Canadian Coach activity, including registration, is permitted in any manner.
- 7) **Commercial Outlets:** While Coaches are strongly encouraged to retail and sell the Beachbody products and services through direct contact, Coaches can display and sell products in retail or service establishments solely which sell or provide services to private clientele, such as gyms, workout studios and doctors' offices. Coaches are **not** permitted to conduct sales of Beachbody products out of mall stores, kiosks, food establishments, discount or buying clubs, or any other general public retail or commercial outlets (section 3.7).
- 8) **Returns of Drop Shipped Product:** When Coaches choose to drop ship to a customer, (Coaches who take payment from customers directly and then purchase product from Beachbody and have the product sent directly to the customer from Beachbody's warehouse), they act as the direct selling entity and therefore must provide all direct customer service, including returns, for such orders (section 9.3).
- 9) **Participation in Other Business:** Coaches are free to participate in other multilevel or network marketing business opportunities. However, Coaches are not permitted to recruit Beachbody Coaches or customers for any other business. Similarly, Beachbody Coaches cannot market or sell non-Beachbody products to Beachbody Coaches or customers, nor can Coaches market Beachbody products alongside non-Beachbody products on websites or other Coach advertisement (section 3.9.1).

This FAQ provides only a summary of important points of the Beachbody Coach Policies & Procedures. **Please review the complete Policies & Procedures in its entirety** (http://images.beachbody.com/tbb/pdf/policies_procedures_comp_plan.pdf) in order to maintain your compliance as an Independent Beachbody Coach. For any submissions, questions or to report any compliance violations, please contact Compliance directly any time at compliance@beachbody.com.