

## Statement of Independent Coach Earnings

December 29, 2016 – December 27, 2017<sup>1</sup>

Team Beachbody rewards our independent Coaches for retail sales of our proven fitness videos and nutritional supplements via a 15-50% retail commission program. Coaches who sell our products to others can also be rewarded through a binary compensation plan which pays bonuses at the Development and Leadership Ranks of Emerald Coach and above. A large number of our Coaches choose not to build a business, but rather join for the opportunity to purchase and enjoy Beachbody products and programs at wholesale. The flexibility and earning potential of the Team Beachbody opportunity allows its Coaches to choose whether they want to take advantage of the personal fitness and health benefits of the Beachbody products, earn supplemental income by participating in the Team Beachbody opportunity on a part-time basis, or focus their full-time attention on the opportunity to try to maximize their income potential. Participating in the Team Beachbody opportunity is similar to using any of our Beachbody fitness programs: results will vary depending on the time, dedication and effort you put into it. Participating as a Team Beachbody Coach requires hard work and there are no guarantees of success. However, there is a genuine opportunity for individuals willing to dedicate the time and diligence to develop customers interested in purchasing Beachbody products and mentoring others to do the same.

The earnings listed below do not include any expenses incurred by a Coach in operating and growing their business which can widely vary. Team Beachbody Coach Development ranks include Emerald and Ruby, and Leadership Ranks include Diamond and Star Diamonds (one through fifteen), all of which are eligible to earn several types of bonuses. Additional leadership bonuses are available to Coaches who achieve certain Star Diamond qualifications.

Coach Rank <sup>2</sup>	Average Tenure (In Years)	% of Development & Leadership Ranks	% of All Coaches	Low Earnings	Average Earnings	High Earnings
<i>Development Ranks</i>						
Emerald	2.76	80.8%	17.0%	\$ 12	\$ 3,062	\$ 75,383
Ruby	3.78	3.3%	0.7%	\$ 381	\$ 11,379	\$ 134,244
<i>Leadership Ranks</i>						
Diamond	3.31	10.4%	2.2%	\$ 511	\$ 16,452	\$ 179,477
Star Diamond	4.65	5.6%	1.2%	\$ 1,568	\$ 124,466	\$ 3,364,105
All Development & Leadership Ranks	2.95	100.0%	21.0%	\$ 12	\$ 11,166	\$ 3,364,105
Coach (Retail Sellers)	2.16	-	79.0%	\$ -	\$ 367	\$ 36,171
All Ranks	2.33	-	100.0%	\$ -	\$ 2,628	\$ 3,364,105

All Figures in U.S. Dollars

The figures stated above are not a guarantee and are not a projection of a typical Coach's earnings through participation in the Team Beachbody compensation plan. As in any independent business, the level of success or achievement of each Team Beachbody Coach is dependent upon the commitment, skill level, drive, and desire to succeed of the individual Coach. Success with Team Beachbody results only from effective product and program sales efforts, which require hard work, diligence, and leadership.

<sup>1</sup> Information based on Coaches enrolled for the entire period. Of these Coaches, 47.54% received a bonus or commission check from Team Beachbody

<sup>2</sup> Coach ranks are determined based on rank achieved as of December 27, 2017<sup>1</sup>