



Compensation Committee Amended (and Restated) Charter

Purpose

The purpose of the Compensation Committee (the "**Committee**") is to carry out the responsibilities delegated by the board of directors (the "**Board**") of Medifast, Inc. (the "**Company**") relating to the review and determination of executive compensation.

Composition and Qualifications

The Committee shall consist of three or more directors. Each member of the Committee shall be independent in accordance with the provisions of Rule 10C-1(b)(1) under Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and the rules of the New York Stock Exchange (the "**NYSE**").

Each member of the Committee must qualify as a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act, and as "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code, as amended.

The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

Structure and Operation

The Board shall designate a member of the Committee as the chairperson. The Committee shall meet at least three times a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board.

The Committee may invite such members of management to its meetings as it deems appropriate. However, the Committee shall meet regularly without such members present, and in all cases the chief executive officer (the "**CEO**") and any other such officers shall not be present at meetings at which their compensation or performance is discussed or determined.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

Duties and Responsibilities

The Committee shall have the following authority and responsibilities:

1. To review and approve annually the corporate goals and objectives applicable to the compensation of the CEO, evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and approve the CEO's compensation level based on this evaluation. In evaluating and determining CEO compensation, the Committee shall consider the results of the most recent stockholder advisory vote on executive compensation ("**Say on Pay Vote**") required by Section 14A of the Exchange Act. (However, the CEO's annual review shall be initiated and conducted by the Chairman of the Board and in his or her absence, the Lead Director. The input for said evaluation will come from the entire board with final review to be given directly to the CEO by either the Chairman or the Lead Director.)
2. To approve the compensation of all the CEO and his or her Direct Reports who are at the Executive Vice President-level or above, and if not already included, the Company's "Named Executive Officers" in the Company's most recent Proxy filing, pursuant to Item 402 of Regulation S-K (the "**Executive Officers**"). In evaluating and determining executive compensation, the Committee shall consider the results of the most recent Say on Pay Vote.
3. To review, approve and, when appropriate, recommend to the Board for approval, incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the stockholders of the Company, which includes the ability to adopt, amend and terminate such plans. The Committee shall also have the authority to administer the Company's Executive Officer incentive compensation plans and equity-based plans, including
 - a) designation of the employees to whom the awards are to be granted,
 - b) the amount of the award or equity to be granted,
 - c) the terms and conditions applicable to each award or grant, subject to the provisions of each plan, and
 - d) the review and approval of the results of performance metrics relating to awards granted under such plan.
4. To review and discuss with management the Company's Compensation Discussion and Analysis ("**CD&A**") and the related executive compensation information, recommend that the CD&A and related executive compensation information be included in the Company's annual report on Form 10-K and proxy statement and produce the compensation committee report on Executive Officer compensation required to be included in the Company's proxy statement or annual report on Form 10-K.
5. To review, and approve and, when appropriate, recommend to the Board for approval, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other Executive Officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans.
6. To review director compensation for service on the Board and Board committees at least once a year and to recommend any changes to the Board.

Outside Advisors

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of a compensation consultant as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of the compensation consultant. The Committee shall have the authority, in its

sole discretion, to retain and obtain the advice and assistance of outside legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its outside legal counsel and other advisors. The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its compensation consultants, outside legal counsel and any other advisors. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant, legal counsel or other advisor to the compensation committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The compensation consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) shall be independent as determined in the discretion of the Committee after considering the factors specified in Section 303A.05(c)(iv), NYSE Listed Company Manual, including:

Provision of other services to the Company by the person that employs the consultant, counsel or other advisor.

Amount of fees paid by the Company to the person that employs the consultant, counsel or other advisor, as a percentage of that person's total revenue.

Policies and procedures of the person that employs the consultant, counsel or other advisor that are designed to prevent conflicts of interest.

Any business or personal relationship between the consultant, counsel or other advisor and any member of the Committee.

Ownership by the consultant, counsel or other advisor of the Company's stock.

Any business or personal relationship between the consultant, counsel or other advisor, or the person employing the advisor, and any Executive Officer of the Company.

The Committee is not required to assess the independence of any compensation consultant or other advisor that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of Executive Officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or advisor, and about which the consultant or advisor does not provide advice.

The Committee shall evaluate whether any compensation consultant retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

Performance Evaluation

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.