

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name <u>Tivity Health, Inc.</u>		2 Issuer's employer identification number (EIN) <u>62-1117144</u>	
3 Name of contact for additional information <u>Bryan Flanagan</u>		4 Telephone No. of contact <u>615-614-4535</u>	5 Email address of contact <u>bryan.flanagan@tivityhealth.com</u>
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>701 Cool Springs Boulevard</u>		7 City, town, or post office, state, and ZIP code of contact <u>Franklin, TN 37067</u>	
8 Date of action <u>March 8, 2019</u>		9 Classification and description <u>Common Stock</u>	
10 CUSIP number <u>88870R102</u>	11 Serial number(s) <u>N/A</u>	12 Ticker symbol <u>TVTY</u>	13 Account number(s) <u>N/A</u>

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On March 8, 2019 (the "Effective Time"), pursuant to an agreement and Plan of Merger (the "Merger Agreement") dated as of December 9, 2018 among Tivity Health, Inc., a Delaware corporation ("Tivity"), Nutrisystem, Inc., a Delaware corporation ("Nutrisystem"), and Sweet Acquisition, Inc., a Delaware corporation and wholly owned subsidiary of Tivity ("Merger Sub"), Merger Sub merged with and into Nutrisystem (the "Merger") with Nutrisystem surviving the merger as a wholly owned subsidiary of Tivity. At the Effective Time, each share of Nutrisystem's common stock, par value \$0.001 per share ("Nutrisystem Common Stock"), issued and outstanding immediately prior to the Effective Time other than excluded shares and appraisal shares was converted into the right to receive (i) \$38.75 in cash (the "Cash Consideration") and (ii) 0.2141 of validly issued, fully paid and non-accessable share of common stock of Tivity, par value \$0.001 per share ("Tivity Common Stock"), (the "Stock Consideration" and, together with the Cash Consideration, the "Merger Consideration"). No fractional shares of Tivity Common Stock were issued in the Merger, and Nutrisystem's former stockholders received an amount of cash in lieu of fractional shares.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The receipt of the Merger Consideration by a "U.S. holder" (as defined in the Registration Statement on Form S-4, dated January 7, 2019 and amended on January 14, 2019 of Tivity) of Nutrisystem Common Stock pursuant to the Merger was a taxable transaction for U.S. federal income tax purposes. A U.S. holder's aggregate tax basis in Tivity Common Stock received in the Merger generally equals the fair market value of the Tivity Common Stock as of the effective time of the Merger.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how you should determine the fair market value of the Tivity Common Stock received in the Merger. You should consult your tax advisor to determine what measure of fair market value is appropriate. There are several possible methods for determining the fair market value of Tivity Common Stock. For purposes of basis reporting on IRS Form 1099-B, the approach taken is to utilize the closing price of Tivity Common Stock on the NASDAQ on March 8, 2019 (\$19.42), the Effective Time of the merger. Other approaches to determine fair market value may also be possible, and the IRS is not bound by this approach.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 1001, 1012 and 1223 of the Code.

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ The character of any loss depends on a stockholder's particular circumstances and the deductibility of any such loss may be subject to limitations. Stockholders should consult their tax advisors.

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Merger occurred on March 8, 2019. For a former holder of Nutrisystem Common Stock whose taxable year is the calendar year, the reportable tax year is 2019.

Blank lines for providing other information necessary for the adjustment.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Ryan Wagers Date ▶ 4/19/19

Print your name ▶ Ryan Wagers Title ▶ CAO and Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.