



Welcome to Mannatech

Business
Development

Fundamentals

US



Mannatech.

Enriching Quality of Life™

Compliance Matters

Commonly Asked Questions & Answers

What can I say about Mannatech® products?

Mannatech products are designed to optimize general health and well-being. The products are promoted only for those claims that are contained on product labels and in Mannatech-approved promotional material. Mannatech does not endorse its products in any way as a substitute for a doctor's care or proven therapy.

Are Mannatech® products sugar pills?

No. "Sugar pill" is a common name for placebos, which do not contain ingredients designed to benefit the body. Mannatech products are formulated to supply the body with nutrients that may not be available in the average diet.

Should I take the products instead of my prescriptions?

Absolutely not! Mannatech products are not medicines. Consult your doctor with questions about your prescriptions.

Can I use patents that have been issued to market the products?

No. Patent applications are drafted to give a wide scope of protection because products are often still being researched at the time the patent is filed. As a result, patent documents may contain claims that cannot legally be made when promoting that product.

Product-Specific Statements

Ambrotose® Complex

This nutritional supplement provides raw materials for the body to use to support cell to cell communication. Good communication between cells supports proper gland and organ function, proper system function, including your natural defense and endocrine systems and optimal health.*

PhytoMatrix® Caplets

The PhytoMatrix product is our patent-pending vitamin, mineral and phytonutrient supplement. It is one of the industry's first supplements to combine standardized levels of plant-derived minerals, natural vitamin complexes and a blend of fully stabilized phytonutrients.

Bounce Back™ Capsules

A natural, combination of select ingredients that, when taken daily, over time†, reduces muscle pain and tenderness following physical activity.* BounceBack capsules have also been shown to increase your active energy expenditure, enabling you to stay active longer.*

MTech AO Blend® Component in Ambrotose AO® Capsules

The synergistic MTech AO Blend component in Ambrotose AO capsules has been designed to help counter the harmful effects of free radicals caused by oxidative stress, daily physical stress and poor diet—all of which can damage your body's DNA, cells and tissues and may lead to premature aging.*

PLUS™ Caplets

A healthy endocrine system supports hormone balance in our cells and organs. PLUS caplets include a unique blend of standardized nutrients formulated to help keep your endocrine system healthy.* The ingredients in PLUS caplets play an important role in not only endocrine health but also in breast, prostate, bone, and colon health as well as immune, nervous and cardiovascular system health.*

Got Questions?

The Legal/Compliance Department at Mannatech is available to answer any questions you may have regarding compliance matters. You may submit your question to us via the Internet through ethicspoint.com or by phone via the EthicsPoint toll-free hotline at 866-292-4946.

As a general rule, you **must not use** the words **cure, treat or prevent** when discussing Mannatech products in conjunction with **illnesses, diseases or medical conditions**.



*These statements have not been evaluated by the Food and Drug Administration. These products are not intended to diagnose, treat, cure or prevent any disease.

Mannatech Code of Ethics

Everything You Need for Vibrant Health

Mannatech, Incorporated is committed to fostering you in a professional and responsible networking career. The Mannatech Associate Code of Ethics sets forth fair and ethical principles and practices. Mannatech Associates agree to adhere to this code in the conduct of their business representing Mannatech and the networking profession as one committed to honesty, integrity and opportunity for all.

As a Mannatech Associate, I Agree to:

1. Represent myself, Mannatech and its products and services truthfully, with integrity and in a compliant manner.
2. Carefully consider the best interests of the prospect. I will provide them with the information they need to make a sound decision.
3. Truthfully identify myself, Mannatech, our products and the purpose of my presentation to any prospective customer or Associate. I will answer questions directly and honestly.
4. Represent realistic income projections that are in alignment with Mannatech's reported sales, profits and individual average earnings.
5. Tell my prospect that financial results are directly related to his or her own marketing and leadership skills and personal efforts.
6. Never discredit any Mannatech Associate, Mannatech company or other networking company.
7. Never knowingly initiate recruitment of an existing Associate from another line of sponsorship within Mannatech.
8. Abide by Mannatech's Associate Policies and Procedures.
9. Operate within the spirit of Mannatech's Policies and Procedures and in particular, avoid all inappropriate use of the Internet, telephone, e-mail, etc.
10. Not engage in any behavior that would cause harm or be detrimental to any other Mannatech Associate or the company.
11. Remember to honor and represent Mannatech's vision to help others achieve an optimal quality of life.
12. Protect and respect the Mannatech family atmosphere where crossline training, support and interaction are encouraged.

Integrity

Maintain high ethical standards.

Commitment

Dedicated to our vision, mission and values.

Team

Support each other to accomplish our common goals.

Accountability

Personal responsibility for my actions and commitments.

Contribution

Make a difference.

Innovation

Creative thinking for better solutions.

Fun

Just have it! Enjoy the journey.

Faith

An optimistic expectation and trust in the company.

Caring

Concern and compassion for others.

Courage

A willingness to respectfully challenge in pursuit of progress.

Acceptance

Honor diversity.

A Message from the Co-CEOs

Dear Mannatech Associate,

As you know, Mannatech is a worldwide leader in the wellness industry, and we remain committed to our passion—enriching lives by providing science-based products and an excellent business opportunity. Because the best results come only from a position of honesty and integrity, Mannatech corporate continually focuses on compliance with the laws of our industry, and we require our Associates to conduct their businesses in accordance with Mannatech's Associate Policies & Procedures. To that end, we are providing you, as a Mannatech Associate residing in the United States, with the following updates to our corporate policies as well as additional information regarding the 2009 settlement with the Texas Attorney General. Please read this information carefully, and thank you in advance for your compliance with these procedural updates.

Sincerely,



Stephen D. Fenstermacher,
Co-Chief Executive Officer and Chief Financial Officer



Robert A. Sinnott, Ph.D.
Co-Chief Executive Officer and Chief Science Officer

Mannatech, Incorporated ("Mannatech") has agreed and entered into a Final Judgment and Agreed Permanent Injunction to settle litigation with the State of Texas Attorney General ("AG") (the "Settlement"). Pursuant to the Settlement, Mannatech informs you that:

1. Mannatech has adopted revised Policies and Procedures, including an expanded Compliance Program (the "Program"). These Policies and Procedures, among other provisions, prohibit Mannatech Associates and employees from directly or indirectly making claims that Mannatech Food Products or glyconutrients cure, mitigate, treat or prevent any disease.
2. You may report failures to comply with the Program to EthicsPoint, through EthicsPoint.com or by calling 866-292-4946, anonymously.
3. You may submit questions regarding the Program to the Senior Corporate Counsel—Compliance, at lec-monitoringprogram@mannatech.com.
4. Under Mannatech's updated Policies and Procedures, you must provide Mannatech with (i) a list of Internet sites where you promote glyconutrients, Mannatech or its products, (ii) advance notice of meetings or phone conferences being held to promote glyconutrients, Mannatech or its products, and (iii) a copy of all promotional material you sell that is related to glyconutrients, Mannatech or its products.
5. Mannatech's Program will monitor Associate conduct, including communications in meetings, telephone calls and via the Internet. Such monitoring may be random and unannounced.
6. Failure by an Associate to comply with Mannatech's Policies and Procedures will constitute grounds for disciplinary action, up to and including termination.

The Settlement also requires Mannatech to make periodic reports to the AG on violations of the Policies and Procedures, including a record of Mannatech's oversight of Associate meetings and web sites.

Mannatech has adopted strict penalties for those making impermissible claims that Mannatech's Food Products or their ingredients cure, mitigate, treat or prevent disease. A copy of the Settlement, the revised Policies and Procedures, and a summary of the Program may be found at MannatechTexasAg.com or may be requested from the Company by sending an e-mail to lec-monitoringprogram@mannatech.com or sending a letter to Mannatech Incorporated, attn: Senior Corporate Counsel—Compliance, 600 South Royal Lane, Suite 200, Coppel, TX 75019.

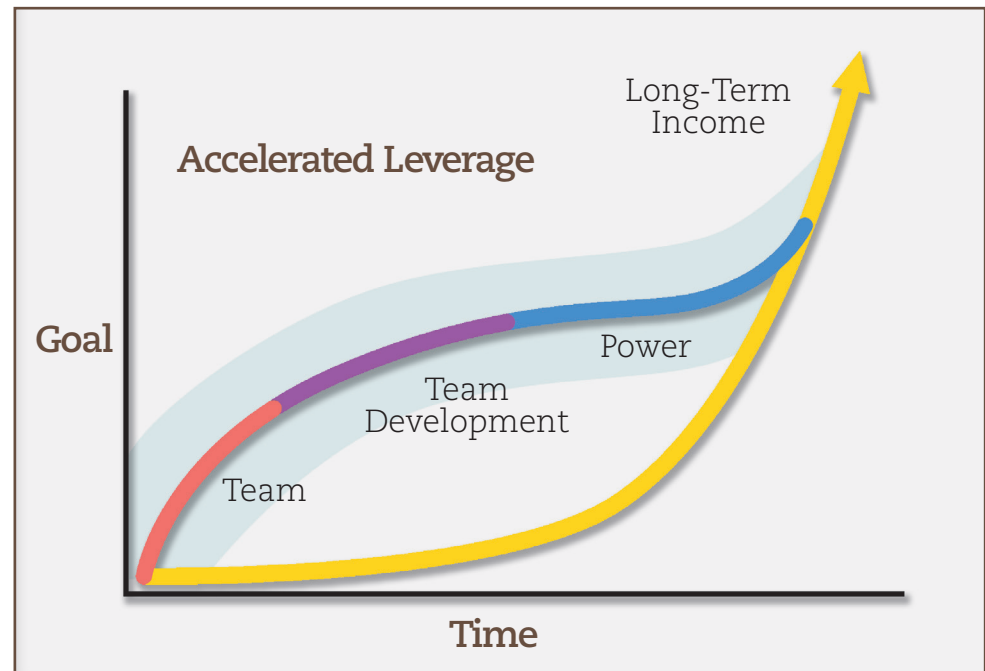
Mannatech Opportunity

Features of the Mannatech Career and Compensation Plan Include:

- Accelerated Leverage Bonuses
- Potential for long-term personal income
- Seamless international sales organization
- Professional business and product training opportunities
- Bonuses calculated and paid directly by Mannatech
- Direct customer ordering, discounted Automatic Order and direct customer shipping
- State-of-the-art corporate web sites and Internet media designed to support training, ordering, selling and education
- A wide range of proprietary, high-quality, scientifically based dietary supplement products, plus proprietary skin care products with mass market appeal

Accelerate Your Path to Success

It has been said that the race is to the swift. However, the typical network marketing compensation model requires long months of work before participants see any significant income. That's why Mannatech's innovative Compensation Plan is such a revolutionary idea. Instead of waiting for what seems like an eternity for your goals to match your time commitments, the plan includes Accelerated Leverage Bonuses that begin rewarding your team-building efforts in as little as a matter of weeks. Mannatech's unique package of up-front leveraged bonuses provides the perfect incentive to help you stay focused on the long-term success of your business. That means you can still keep your eye on the prize—but at the same time, if you apply yourself and make the right connections, you'll be rewarded with money in the bank. And the more you apply yourself to building your organization, the faster your long-term income can build.



Bridge your way to success faster. Mannatech offers an alternative to the traditional path of network marketing compensation by providing you with Team, Team Development, Power and Fast-Start Bonuses to bridge your gap in income while you focus your efforts on building a long-term income and, ultimately, possible financial freedom.

Your Path to Success



Mannatech Compensation Plan

The Mannatech Compensation Plan is designed to maximize each stage of business growth. Through multiple income streams, Associates are rewarded for their efforts on the front line of initial business development and through product sales, as well as their ability to manage and train other leaders for long-term business stability. The plan provides 19 distinct methods of earning. To get the most benefit, it is important to understand each type of earning's purpose, how to qualify and how to build and train an organization to capitalize on each of these incomes.

Immediate Personal Production Bonuses

Personal Production Bonus opportunities offer you a number of ways to earn commissions directly from the sale of Mannatech products. These bonuses provide immediate income to Associates for product sales to all direct retail customers and product purchases by personally sponsored Members and Associates. You do not earn commissions or bonuses on your own product purchases.

Retail Profit

Associates may purchase products from the company at Associate cost and then resell these products to their customers at retail prices. Your retail profit will be the difference between the Associate cost and the retail price.

Immediate Personal Production

- 1 Retail Profit
- 2 Member Commission
- 3 Direct Bonus

Accelerated Leverage

- 4 Team Bonus
- 5 Team Development Bonus
- 6 Personal Power Bonus
- 7 Fast Start Bonus
- 8 1st Generation Power and Fast Start Bonus
- 9 2nd Generation Power and Fast Start Bonus

Long-Term Leg

- 10 Unilateral Bonus
- 11 Leadership Bonus
- 12 Generational Bonus
- 13 Leadership Development Bonus
- 14 Leg Star Bonus
- 15 Presidential Development Bonus
- 16 Gold and Silver Bonus
- 17 Global Volume Bonus
- 18 Auto Order Bonus
- 19 Incentives

Direct Retail Customers

Associates can refer customers to Mannatech's toll-free number (800) 281-4469 to place retail product orders directly with the company. Give a customer your account number preceded by an "R". (Example—R12xxxx). The customer can then place a product order at the retail price, and the company will ship the product directly to them. As an Associate, you will earn your bonus based on the difference between the retail price and Associate price of the total product order.

Immediate Personal Production

The Member Plan

Let Mannatech service your customers! A retail customer may become a Member by paying a one-time fee of \$10 to cover administrative costs. This fee will be waived if a product order is placed at the time of application. The Member price is up to 5% off the suggested retail price of all their product purchases. Members should be encouraged to participate in the optional Automatic Order program, where they will receive an additional 10% discount off the Member price.

The Qualified Associate* (QA) who registers the Member will receive a 20% direct sales commission on all Member product purchases. Members are not Associates and do not participate in the Mannatech Compensation Plan. However, their experience with Mannatech products and continuing contact with Associate Sponsors will significantly increase the potential for them to enroll as active Associates in their Sponsor's downline sales organization.

*Qualified Associates (QAs) are Associates who have renewed their position and have 100 Qualifying Volume (QV) in a business period (BP). QV is the sum of Personal Point Volume (PPV) from product purchases and Pack Qualifying Credit (PQC) from pack purchases.

Personally Sponsored and Enrolled Associates

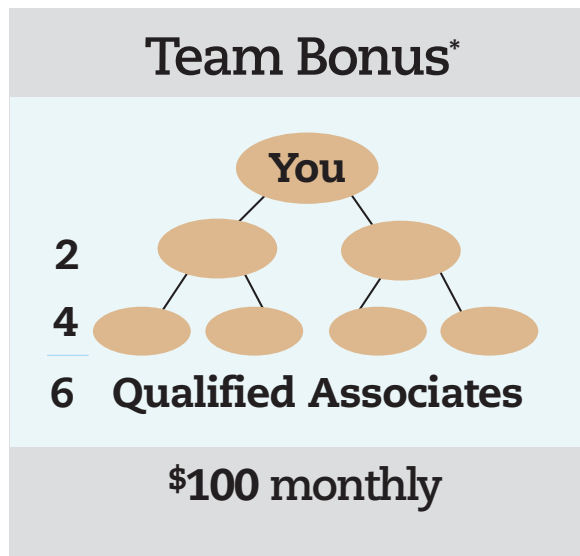
The Mannatech Compensation Plan allows Associates to leverage their income opportunity via the principle of multiplication versus addition. In direct sales, income is earned and increased by adding additional customers (e.g., $4 + 4 + 4 = 12$). However, in network marketing, the duplication of your initial efforts through the people you sponsor can multiply your rewards (e.g., $4 \times 4 \times 4 = 64$). Mannatech offers you the opportunity to earn significant income generated from product sales through an organization that can be expanded worldwide. Approximately 44% of the price Mannatech receives for all products and packs sold will be paid as bonuses and incentives through the Mannatech Compensation Plan.

Direct Bonus

A Direct Bonus is paid to the Enroller on the sale of any product pack. The Enroller must be in the same line of sponsorship as the person purchasing the sign-up product pack. If the Enroller's position is terminated, the Direct Bonus will pay to the Sponsor if the Sponsor is a Regional Director (RD) or above. Otherwise, the Direct Bonus will pay upline through the line of sponsorship to the first qualified Regional Director. The Direct Bonus is paid on the products included in any product pack. There is no requirement to purchase a product pack to become an Associate or earn any level of compensation. No personal Qualifying Volume (QV) is required to earn the Direct Bonus.

Direct Bonus	
\$20	\$75
Preferred Associate	All-Star Associate

Accelerated Leverage Bonuses



* Diagram shown represents one Team Bonus configuration only. There are other configurations that also meet Team Bonus requirements.

Accelerated Leverage Compensation

Experience the power of accelerated leverage with some of Mannatech's most exciting and innovative compensation opportunities! These sources of up-front income are designed to help Associates set the cornerstones of their businesses by growing and training their own sales organizations. They are dynamic, potentially lucrative bonus plans that can help you get your business off to a terrific start!

Team Bonus

The Team Bonus is designed to reward you for taking the first steps necessary to build and train an active, growing sales organization. You can earn a check each business period (BP) of at least \$100, plus all pack sale bonuses! You need only to ensure that you have six Qualified Associates (QAs) in your downline who achieve 100 QV through product sales in each BP.

The Team Bonus offers new Associates a number of distinct advantages:

- Earn a minimum \$100/BP with only six Qualified Associates in your downline. You will continue to receive this income in each BP the qualifications are met until your income exceeds \$100/BP.
- Motivates everyone in your organization and their product customers to enroll in the Automatic Order program.
- Assists in building your downline team to help you qualify for long-term income sooner.

How the Team Bonus Works

- Become a Qualified Associate (QA) by achieving 100 QV in personal product purchases/sales during each BP.
- Build an organization of six QAs with no more than three in any one leg.
- Continue to earn the Team Bonus every BP these criteria are met. (See below for additional requirements once your organization reaches 1,500 GPV.)

The Team Bonus will pay the difference between your product and pack bonuses (Unilateral, Member, Leadership, Automatic Order, Direct and Generational) and \$100, so that a check of \$100 will be paid until your Direct and product bonuses exceed \$100. At that time, your product bonus check is earned and calculated based on the standard commission rules.

Additional Team Bonus Requirements for Associates with More Than 1,500 GPV

When your total Group Point Volume (GPV) reaches 1,500 (about 15 QAs), you must meet the Regional Director GPV requirement, which is 1,500 GPV with no more than 1,000 GPV coming from any one leg, to continue earning the Team Bonus. If you are currently earning a Team Bonus, you already have a minimum of 300 GPV coming from a second leg (3 Associates buying 100 QV). So, we are asking you to develop 200 more GPV in any leg that does not exceed 1,000 GPV and continue to maintain Team Bonus qualifications.

Once you meet the GPV requirement for maintaining your Team Bonus you will also qualify for all additional Regional Director bonuses. Every Associate earning a Team Bonus will receive a one-BP grace period the first time they reach 1,500 GPV in order to ensure they have the opportunity to meet the new Regional Director GPV requirements. Associates who have used their grace period and fall below the 1,500 GPV are eligible to continue earning the Team Bonus if qualifications are met.

Team Development Bonus

The Team Development Bonus (TDB) provides a fast track to immediate compensation and a significant bridge to more substantial compensation. Once you have reached a Leadership level (Regional Director and above; see page 13), the Team Development Bonus will provide you with additional income for helping Qualified Associates in your downline build, train and maintain teams in their own sales organizations. It's a classic example of a situation where everyone wins!

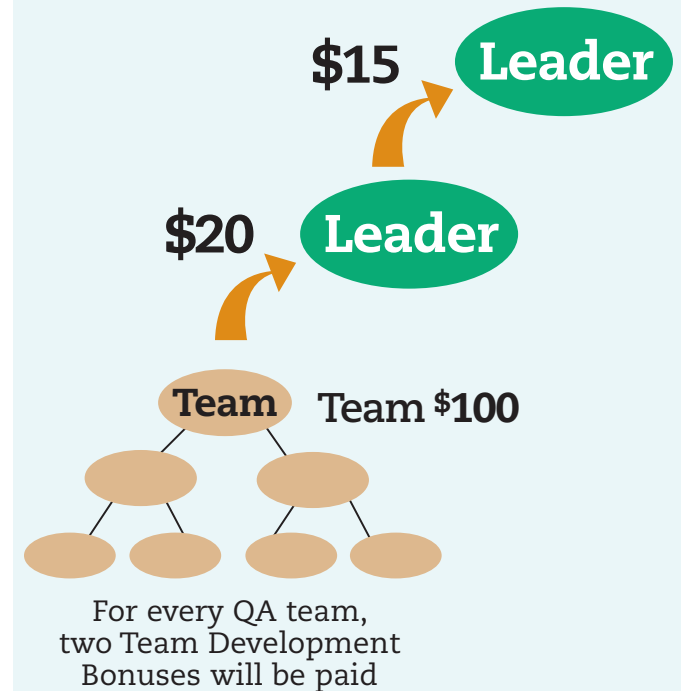


How the Team Development Bonus Works

Each Team Bonus earned by a Qualified Associate generates two Team Development Bonuses that are paid to the first- and second-generation upline RD or above. The first-generation RD or above will receive a \$20 Team Development Bonus. The second-generation RD or above will receive a \$15 Team Development Bonus.

Note: If an RD or above has developed a Team, the TDB will not be paid. Only Associates not yet at Leadership level can generate a TDB upline. The TDB pays to the first upline RD or above and second upline RD or above who has a QA Team in their downline.

Team Development Bonus



Accelerated Leverage Bonuses



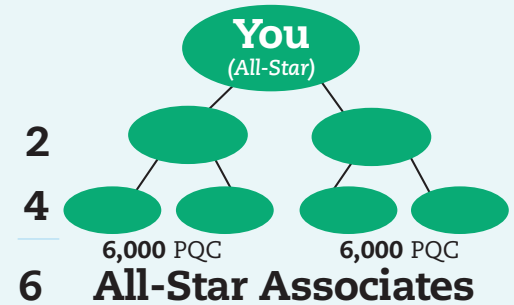
Personal Power Bonus and Fast Start Bonus

The Power Bonus is designed to award significant, immediate income to those who choose to achieve the status of Premium/All-Star Associate. The Fast Start bonus was added as an additional reward for those Associates who get off to a Fast Start and lay a solid foundation for their organization by earning their Power Bonus within their first three complete business periods.

How the Personal Power Bonus Works

- Become a Premium/All-Star Associate! Only Qualified All-Star Associates are eligible to receive the Personal Power Bonus.
- Accumulate 6,000 Pack Qualifying Credits (PQC) through the sale of product packs in each of two separate legs. PQC is a set amount assigned to certain product packs and accrues based on product pack sales in your organization. The Personal Power Bonus can be earned with as few as three Premium (All-Star) Pack sales in each of two legs (see diagram).
- In order to continue accumulating PQC, the All-Star Associate must maintain their Qualified status (active renewal +100 QV) each business period. If an All-Star Associate drops from Qualified status, any accumulated PQC is zeroed out. When Qualified status is reactivated the All-Star Associate may once again begin accumulating PQC.
- 6,000 PQC is accumulated in each of two separate legs, the Associate will qualify for a one-time \$425 Personal Power Bonus.

Personal Power Bonus*



\$425 Personal Power Bonus

* Diagram shown represents one Personal Power Bonus configuration only. There are other configurations that also meet the Personal Power Bonus requirements.

Product Pack Level	PQC
Premium (All-Star)	2,000
Basic (Preferred)	100

If you upgrade to Premium/All-Star in the middle of a business period through Associate points or upgrade pack purchases, all PQC volume for that business period will count in calculating leg PQC.



Product packs cancelled or returned prior to the commission run for the business period when the commissions are being paid shall have the PQC removed and will not be credited toward Power Bonus qualification. Each Associate may earn the Personal Power Bonus only one time.

How the Fast Start Bonus Works

- Only Qualified Premium/All-Stars who have earned a Personal Power Bonus through the sale of product packs are eligible to receive the Fast Start Bonus.
- Associate must earn a Personal Power Bonus within their first three complete business periods from their registration date to qualify for a one-time \$425 Fast Start Bonus.

Each Associate may earn the Fast Start Bonus only one time.

How the 1st and 2nd Generation Power Bonus Works

As the Enroller, any time a new Premium/All-Star Qualified Associate in your organization earns a Personal Power Bonus, you will earn a 1st Generation Power Bonus of \$200.

- Enroller must be a Premium/All-Star Qualified Associate who has received the Personal Power Bonus!

Only Premium/All-Star Qualified Associates are eligible to receive the 1st and 2nd Generation Power Bonus through the sale of product packs.

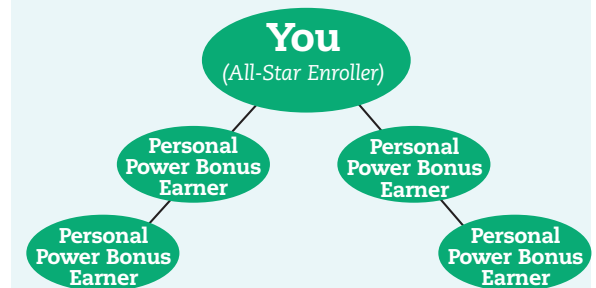
- Qualified Premium/All-Star Associates may earn a 1st and 2nd Generation Power Bonus for every Associate they enroll who earns a Personal Power Bonus through the sale of product packs.
- The Enroller of the 1st Generation Power Bonus earner will earn a 2nd Generation Power Bonus of \$100 through the sale of product packs.

How the 1st and 2nd Generation Fast Start Bonus Works

When a Premium/All-Star Associate you enrolled earns their Personal Power Bonus through the sale of product packs within their first three complete business periods to qualify for a Fast Start Bonus, you will also earn a 1st Generation Fast Start Bonus of \$200, if you are a Qualified Premium/All-Star Associate with 100 QV and have received the Personal Power Bonus.

- The Enroller of the 1st Generation Fast Start Bonus Earner will earn a 2nd Generation Fast Start Bonus of \$100 through the sale of product packs.

1st and 2nd Generation Power Bonuses and 1st and 2nd Generation Fast Start Bonuses



1st Generation Power Bonus	\$200	\$200
1st Generation Fast Start Bonus	\$200	\$200
2nd Generation Power Bonus	\$100	\$100
2nd Generation Fast Start Bonus	\$100	\$100

If the Power Bonuses are earned within the first three full business period, the 1st or 2nd Generation Fast Start Bonuses pay to their respective Enrollers.

Long-Term Bonuses



Unilateral Bonus

Qualified Associates are paid on their first five levels.

Level	1	2%
	2	2%
	3	4%
	4	4%
	5	4%

Long-Term Bonuses

After you have established the foundation of your Mannatech organization and benefited from Mannatech's Accelerated Leverage Team and Power Bonuses, Mannatech's long-term bonuses can provide you with full- or part-time income and lead you toward financial freedom. Mannatech has nine types of long-term bonuses. These bonuses are based on the sale of packs and products you and your organization sell and include the following: Unilateral Bonus, Leadership Bonus, Generational Bonus, Leadership Development Bonus, Leg Star Bonus, Presidential Development Bonus, Global Volume Bonus, Gold and Silver Bonuses and Auto Order Bonus.

Unilateral Bonus

The Unilateral Bonus is a long-term income stream based on the volume of products you and your organization sell.

How the Unilateral Bonus Works

To be eligible to qualify for the Unilateral Bonus, you must achieve 100 QV for the business period and maintain your annual renewal requirements. Two percent of the APO of products sold will be paid to active Associates through the Unilateral Bonus program for levels 1 and 2 of their organizations. Four percent of the APO of products sold will be paid to active Associates through the Unilateral Bonus program for levels 3, 4 and 5.

The Unilateral Bonus Plan

- Pays on all product sales in your organization through five active levels of depth
- Compresses out non-purchasing Associates and non-renewed Associates
- Has no width restrictions



Leadership and Generational Bonuses

Leadership and Generational Bonuses reward your leadership skills and talents as you build your business organization by increasing product sales through recruitment and development of other Leaders. Whether you move up the Leadership Bonus ladder quickly or over a more extended time, as you reach higher Leadership levels, you can earn greater long-term income on your total group sales.

Leadership Bonuses provide Associates the ability to earn on more levels of sales activity and to earn higher bonuses on their entire group's sales.

Generational Bonuses are paid to Qualified Associates at various Leadership levels based on the sales activities of Leaders in their organization at equal or higher Leadership levels.

How These Bonuses Work

To participate in the Leadership portions of this plan, you must first be a Qualified Associate. You will earn various percentages for the depth of your organization. Leadership Bonuses will be paid for product sales generated in your downline organization.

The Specific Leadership Levels You Can Reach Are:

Regional

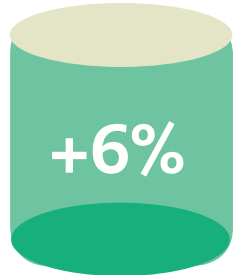
Regional Directors (RDs) are Qualified Associates who have a minimum of two legs with a total of 1,500 Group Point Volume (GPV). The GPV can come from any number of legs, but no more than 1,000 GPV can come from any one leg in a qualifying period. Point Volume generating from any Associate's personal position does not count toward GPV requirements.

In Addition to the 1 Through 5 Unilateral Bonus, RDs Receive:

- 6% of APO on their sixth-level sales with compression and roll-up
- 6% of their Primary Group Actual Pay Out (GAPO)
- 4% on the sales of their first-generation RDs' Primary GAPO
- 2% on the sales of their second-generation RDs' Primary GAPO
- Qualification to receive the Team Development, Leadership, Generational and Automatic Order Bonuses

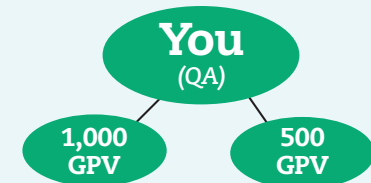
Regional Leadership Bonus

Levels	Primary	Total
1	2%	8%
2	2%	8%
3	4%	10%
4	4%	10%
5	4%	10%
6	6%	12%



Primary Volume is the volume created by a Leader down to the next Leader in his or her organization of the same or higher level.

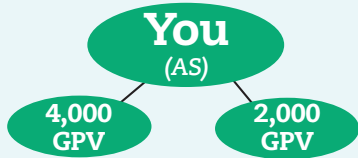
Regional Director



1,500 total Group Volume (GPV) with no more than 1,000 GPV counting from any one leg

Long-Term Bonuses

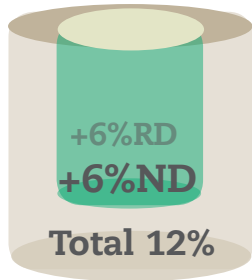
National Director



6,000 total Group Point Volume (GPV) with no more than 4,000 GPV counting from any one leg

National Leadership Bonus

Levels	Primary	Total
1	2%	14%
2	2%	14%
3	4%	16%
4	4%	16%
5	4%	16%
6	6%*	18%**
7	6%*	24%**



*Levels 6 and 7 include roll-up.
 **Maximum earnings with roll-up.

National

National Directors (NDs) are qualified Premium/All-Star Associates who have at least two legs with a total of 6,000 GPV. The GPV can come from any number of legs, but no more than 4,000 GPV can come from any one leg in a qualifying period.

In addition to the benefits of RDs, NDs receive:

- 6% of APO on the sales of their seventh level with compression and roll-up
- 6% on the sales of their Primary National GAPO
- 4% on the sales of their first-generation NDs' Primary GAPO
- 2% on the sales of their second-generation NDs' Primary GAPO

Executive

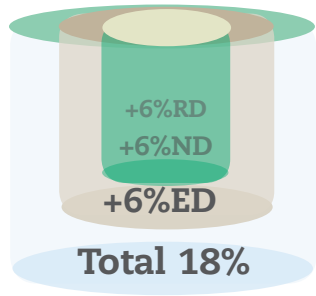
Executive Directors (EDs) are qualified Premium/All-Star Associates who have at least three legs with a total of 20,000 GPV in a qualifying period. The GPV can come from any number of legs, but no more than 14,000 GPV can come from any one leg in a qualifying period, and no more than 18,500 can come from any two legs. A total of 1,500 GPV must come from side volume, generating outside of the two strongest legs.

In addition to the benefits of NDs, EDs receive:

- 6% of APO on the sales of their eighth level with compression and roll-up
- 6% on the sales of their Primary Executive GAPO
- 4% on the sales of their first-generation EDs' Primary GAPO
- 2% on the sales of their second-generation EDs' Primary GAPO

Executive Leadership Bonus

Levels	Primary	Total
1	2%	20%
2	2%	20%
3	4%	22%
4	4%	22%
5	4%	22%
6	6%*	24%**
7	6%*	30%**
8	6%*	36%**



*Levels 6, 7 and 8 include roll-up.
**Maximum earnings with roll-up.

Presidential

Presidential Directors (PDs) are Qualified Premium/All-Star Associates who have at least three legs, with a total of 60,000 GPV in a qualifying period. The GPV can come from any number of legs, but no more than 40,000 can come from any one leg in a qualifying period, and no more than 54,000 can come from any two legs. A total of 6,000 GPV must come from side volume, generating outside of the two strongest legs.

In addition to the benefits of EDs, PDs receive:

- 7% of their Primary Presidential GAPO
- 4% on their first-generation PDs' Primary GAPO
- 2% on their second-generation PDs' Primary GAPO
- Qualification to participate in the Presidential Development Bonus for each business period that Presidential status is maintained

Bronze Presidential

A Bronze Presidential is a PD with a Presidential in one downline leg in the same BP.

Silver Presidential

A Silver Presidential is a PD with a Presidential in two separate downline legs in the same BP.

Gold Presidential

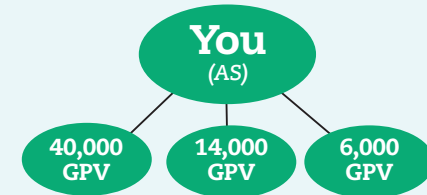
A Gold Presidential is a PD with a Presidential in three separate downline legs in the same BP.

Platinum Presidential

A Platinum Presidential is a PD with a Presidential in four separate downline legs in the same BP.

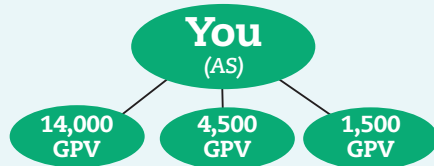
Note: For the benefits of building Presidential legs, see the Presidential Development Bonus section on page 18.

Presidential Director



60,000 total Group Point Value (GPV) with no more than 40,000 GPV counting from any one leg and no more than 54,000 GPV counting from any two legs

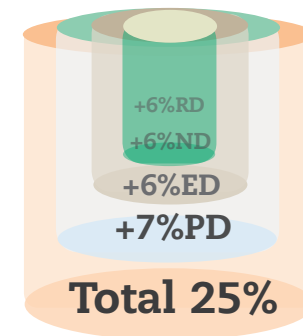
Executive Director



20,000 total Group Point Value (GPV) with no more than 14,000 GPV counting from any one leg and no more than 18,500 GPV counting from any two legs

Presidential Leadership Bonus

Levels	Primary	Total
1	2%	27%
2	2%	27%
3	4%	29%
4	4%	29%
5	4%	29%
6	6%*	31%**
7	6%*	37%**
8	6%*	43%**



*Levels 6, 7 and 8 include roll-up.
**Maximum earnings with roll-up.

Long-Term Bonuses



Leadership Development Bonus

The Leadership Development Bonus is designed to reward you for building and maintaining Leaders within your organization. Once you become a National Director or higher, you become eligible to earn this bonus. There is no limit to the number of Leadership Development Bonuses you can earn.

How the Leadership Development Bonus Works

If you are a National Director or above, you earn \$100 per ND in your organization where you are the first upline qualified ND. If you are an Executive Director or above, you earn \$450 per ED or PD in your organization where you are the first upline qualified ED or above.

You earn these bonuses every business period.

Leg Star Bonus

The Leg Star Bonus is designed to increase long-term income for building depth within your organization. Leg Star Bonus is paid from product pack sales within your organization. Leg Star Bonus is paid out on the sale of every Premium (All-Star) and Premium Renewal Pack.

Note: The Leg Star Bonus will pay upline for Premium/All-Star and Leadership product packs sold in all international markets. The value of the bonus will vary according to market and type of product pack sold.

To Qualify for the Leg Star Bonus Personal Qualification

- You must achieve the status of Premium/All-Star Associate.
- You must achieve 100 QV/BP based on product sales.

Group Qualification 1-Star Leg Star Bonus Qualification

You have 1-Star status if you have at least one leg containing 12 Premium/All-Star Associates. This leg becomes your permanent Qualifying Leg, and you will not receive any Leg Star Bonus on this leg. Once you have a Qualifying Leg, you are eligible to receive the 1-Star Leg Star Bonus in all other legs if you are the first upline 1-Star from the Associate purchasing the Premium/All-Star Product Pack.

2-Star Leg Star Bonus Qualification

You achieve 2-Star status by having two legs, each containing 12 Premium/All-Star Associates. The second leg to meet this criterion is permanently coded as your 1-Star leg. You will be able to earn only 1-Star Leg Star Bonuses on this leg. All future legs not coded as your Qualifying or 1-Star legs will be treated as 2-Star legs in generating Leg Star Bonuses.

3-Star Leg Star Bonus Qualification

You achieve 3-Star status by having three legs, each containing 12 Premium/All-Star Associates. The third leg to meet this criterion is permanently coded as your 2-Star leg. You will be able to earn only 2-Star Leg Star Bonuses on this leg. All future legs not coded as your Qualifying 1- or 2-Star legs will be treated as 3-Star legs in generating Leg Star Bonuses.

4-Star Leg Star Bonus Qualification

You achieve 4-Star status by having four legs containing 12 Premium/All-Star Associates. The fourth leg to meet this criterion is permanently coded as your 3-Star leg. You will be able to earn only 3-Star Leg Star Bonuses on this leg. All future legs not coded as your Qualifying, 1-, 2- or 3-Star legs will be treated as 4-Star legs in generating Leg Star Bonuses.

Leg Star Bonus

- 25% of the Leg portion of the Star Bonus on the purchase of each pack is paid to the first upline 1-Star Associate.
- 25% is paid to the first upline 2-Star Associate.
- 25% is paid to the first upline 3-Star Associate.
- 25% is paid to the first upline 4-Star Associate.

Note: Roll-up occurs until the entire Leg Star Bonus is paid out. For example, a 4-Star Leg can generate the 1-, 2-, 3- and 4-Star Leg Star Bonuses.

Leg Star Bonus		
	AS	RENEWAL
1-Star	\$22	\$20
2-Star	\$44	\$40
3-Star	\$66	\$60
4-Star	\$88	\$80

Long-Term Bonuses

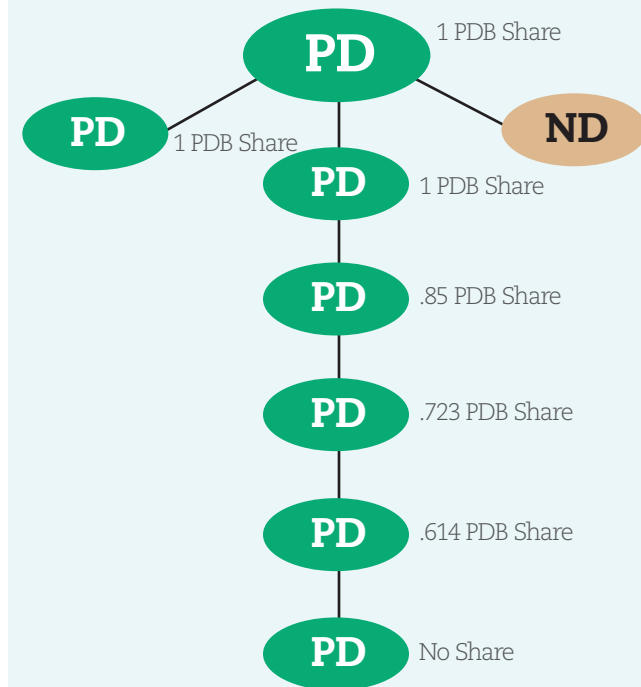
Presidential Development Bonus

The Presidential Development Bonus rewards Presidential Directors for developing Presidentials in depth and width. The Presidential Development Bonus is paid from a pool of 5% of total APO and a contribution from certain pack sales. Each Presidential Director receives one share (not to exceed \$450) from the pool for achieving the level of Presidential Director. In addition, each Presidential Director receives shares based on Presidential Directors developed in both width and depth, as follows:

# of PD Legs in Width	Pays Through Generation of Depth
1	2
2	4
3	6
4	7
5	8
6	9
7	10
8	11

Presidential Development Bonus

Silver Presidential Example:



Note: Share values decrease by 15% for each level of depth

Silver and Gold Bonus

The Silver and Gold Bonuses pool is based on 1% of global Automatic Order sales (excluding Korea) and is paid on the product check each business period. The Silver and Gold pool is divided into two pools, one earned for achieving Silver and/or Gold Presidential status and the other based on side volume development outside of your Presidential legs.

The first pool represents 75% of the total pool. Each business period one share is granted for qualifying as a Silver Presidential Director and two shares are granted for qualifying at Gold Presidential. The total number of shares is divided into the pool to determine the share value for the business period. Each Silver and Gold Presidential is paid the share value multiplied by the number of shares each has achieved.

The second pool represents the other 25% of the total pool. The shares are weighted by the total side volume of each Silver and Gold Presidential each business period. Each Silver and Gold Presidential will have a weighted factor assigned to the volume from lowest to highest. The Silver or Gold Presidential with no side volume will all be assigned 1.5 points. It increases by .5 beginning with the first Silver or Gold Presidential who has side volume through to the Silver or Gold Presidential with the highest side volume. If two or more Silver and Gold Presidentials have the same side volume, they receive the same points. A total of all weighted points are divided by the 25% remaining in the pool. This determines the share value, which is then multiplied by each Silver and Gold Presidential's weighted share value to determine the total commission due per position.

Discount Automatic Order Benefits

Stability is having regular product orders every business period. Automatic Orders are an important part of building and maintaining your Mannatech business. Not only do you and your customers receive a 10% discount off wholesale or Member product orders, you also personally benefit from having your customers and yourself on Automatic Order. Your income is based on two things—the depth of your organization generating Unilateral Bonuses and the volume of your organization generating Leadership Bonuses. Having your customers on Automatic Order helps you maintain both the depth and volume of your organization.

The Discount Automatic Order program is optional and not a requirement to participate in any aspect of the Mannatech Compensation Plan.

Automatic Order Bonus

A 3% bonus is paid on an Associate's discounted cost of product(s) selected on an Automatic Order. This bonus will be paid to the Enroller if they are a qualified RD or above. Otherwise, the bonus will be paid to the first upline qualified RD or above in the line of sponsorship above the Associate who maintains a standard discount Automatic Order during the business period.



Long-Term Bonuses

Global Volume Bonus for Platinum Presidentials

The Global Volume Bonus (GVB) is a pool based on 1% of Global Finished Product Sales (GFPS) and paid on the product check each business period. The GVB is divided into two pools, one earned for loyalty to Mannatech and the other intended to help cover the costs for travel and business development. The loyalty pool is 75% of the total 1% GFPS pool. One share is granted for each Presidential Director leg developed. The total number of shares from all Platinum Associates each BP is divided into the GVB pool to determine the share value. Each Platinum Presidential Director is paid the share value multiplied by the number of Presidential legs each has achieved.

The travel and business development pool has weighted shares based on the total side volume achieved outside of all Presidential Director legs. Each Platinum Presidential Director has a weighted factor assigned to them based on side volume, from lowest to highest. The lowest is 1.5 points, and it increases by .5 points up to the Associate with the highest side volume. The total of all weighted points is then divided by the 25% remaining in the GVB pool. This determines the share value, which is then multiplied by each Platinum Presidential Director's weighted share value for the total commission due each Platinum Presidential Director.

To Qualify for the Global Volume Bonus (GVB)

- You must achieve 100 QV/BP.
- You must qualify as a Presidential Director each BP.
- You must maintain four qualified Presidential Director legs each BP.
- You must agree and comply with the terms of the Platinum Presidential Ambassador Loyalty Agreement.

Note: Any Bronze Presidential Director or above who is determined to have breached the Agreement, including but not limited to the cross-sponsoring policy or the recruiting of Mannatech Associates for another MLM company, will be prevented from receiving commissions in the GVB for a two-year period upon achieving Platinum Presidential Director status and/or is subject to possible termination of the Agreement.



Incentives

Incentive Compensation

Incentives go beyond the Compensation Plan. Designed as extra motivation to help Associates achieve their goals and earn special rewards, trips and recognition, incentives can change throughout the year.

If you're like most people, you spend about as much time doing business as you spend on your personal life. Why shouldn't that business time be fun? At Mannatech, we want your business to be as satisfying and enjoyable as what you like to do when you're not working. That's why we offer some of the most memorable incentive programs you'll find anywhere. Veteran Associates have learned that business achievement at Mannatech can mean far more than just financial rewards. Mannatech's exciting incentive programs can result in awarding you cash, prizes or admission to special events for meeting selected business performance criteria. You might even find yourself at an exotic location, accompanied by your Mannatech friends and business associates!

Visit new.mannatech.com at any time to learn what's coming up and how you can qualify to earn incentive awards.

Additional Information

Schedule of Payment

Retail profit; Member commission; Direct Bonus; Team and Team Development Bonuses; Unilateral, Leadership and Leadership Development Bonuses; and Generational, Presidential Development and 3% Automatic Order Bonuses will pay two weeks after the close of the business period.

Leg Star Bonus, Direct Bonus, Personal Power Bonus, Fast Start Bonus, Matching Power Bonus, Matching Fast Start Bonus and Global Volume Bonus will pay four weeks after the close of the business period.

Qualification and Commissions

The plan requires that Associates achieve various levels throughout the plan along with set Qualifying Volume (QV) through product sales equal to the sum of both PPV and PQC in order to earn commissions as follows:

- **Qualified Associate 100 QV**
- **1-5 Levels of Unilateral Bonuses, Member, Team Bonus, Regional Director, 3% Automatic Order Bonus, Team Development Bonus**
- **Premium/All-Star Associate 100 QV above + Leg Star Bonus, National, Executive and Presidential Director, Leadership Development, Presidential Development, Personal Power Bonuses and Fast Start Bonuses.**

Thirteen Business Periods

The plan requires that Associates qualify for set QV each business period. The company operates on a calendar year of 13 four-week business periods.

Upgrade Options

If you are currently a Basic/Preferred Associate and want to become a Premium/All-Star Associate, you may choose one of the two options described below.

When you achieve Premium/All-Star Associate, you begin receiving the status and pay that accompany that level to the business period earned. The annual renewal date on your position will change to the last day of the business period when your Premium/All-Star status was achieved.

An upgrade happens only one time, since once a Premium/All-Star status is achieved, you can never drop from that status, provided your status is renewed each year.

(1) Purchase of an Upgrade Product Pack

A current Basic/Preferred Associate may become a Premium/All-Star Associate through the purchase of a Premium/All-Star Product Pack.

A current Essential/Master Associate may become a Premium/All-Star Associate through the purchase of a Premium/All-Star Product Pack.

(2) Achieving Set Personal Member Point Volume Options (PMPV)

The plan allows you to upgrade to Premium/All-Star Associate through point accumulation from Personal Member Point Volume (PMPV) qualifications in a business period. The PMPV qualifications come from the sales volume generated through your product sales/purchases plus product sales to your Members. The PMPV qualifications that must be met in one business period are as follows:

- **Premium/All-Star Associate 500 PPV + 500 Member PV**
- **When you upgrade via PMPV, you receive a counter in the Leg Star program and you will become eligible to begin receiving Premium/All-Star Associate commissions, but no Star Bonus money will pay to your upline.**

Retention/Renewal Options

Your Associate's status is re-visited annually on your anniversary BP (one year after your original registration or last renewal), with three options being available, as described below. You must take action through one of these options for your commissions to continue generating.

(1) Premium/All-Star Renewal Through Renewal Product Pack Purchase

If you are a Premium/All-Star Associate, you will receive a renewal offer approximately 50 days prior to close of your anniversary BP. (A follow-up reminder will come about 20 days before expiry, if necessary.) For your Premium/All-Star Associate commissions to continue generating, your renewal payment must be received before the close of your anniversary BP. Upon purchase of your Leadership Renewal Product Pack, your Associate agreement is automatically renewed for 13 business periods at the Premium/All-Star level you have achieved. The Leadership Renewal Product Packs pays \$80 through the Leg Star Bonus program.

As Leadership Renewal Product Packs do not carry Qualifying Volume (QV), you must maintain a qualifying order in your anniversary BP to remain eligible for full Premium/All-Star bonuses. On your qualifying order in that BP, 45% of the APO will be deducted to fund production and mailing of *Health & Living* magazine and other Mannatech mailings for the next year.

(2) Premium/All-Star Renewal Through PMPV Option (see #2 Under "Upgrade Options")

If you are a Premium/All-Star Associate, you may also meet your annual Leadership renewal requirements in your anniversary BP by meeting the PMPV requirement as described below:

- **Premium/All-Star Associate 500 PPV + 500 Member PV**

On your qualifying order in your anniversary BP, 45% of the APO will be deducted to fund production and mailing of *Health & Living* magazine and other Mannatech mailings for the next year.

(3) Automatic Retention at the Basic/ Preferred Associate Status

Premium/All-Star Associates who choose not to renew their Leadership status by either of the above options may continue to order products, and will be retained at the Basic/ Preferred Associate level. This automatic transaction will take place with the first product order after the anniversary date. If no order is received, the Associate's status is considered "on hold." However, such Associates can regain their Premium/All-Star Associate status at any time through the purchase of a Renewal Pack; the annual renewal date would then change to the date of the renewal order.

Basic/Preferred Associates are automatically retained through ongoing product orders, and any product order(s) placed in any business period following the renewal date will have the 45% deducted from the APO (as noted in (1) and (2) above). If an order is not placed after the annual renewal date, you will be considered non-renewed.

Note: Your Members will also have a 45% APO deduction the business period following one year from their original registration date and then annually thereafter. The automatic retention process extends subscriptions to certain Mannatech magazines in one year.

Pack Qualifying Credits (PQC)

Certain product packs will have Pack Qualifying Credit (PQC) that counts toward the Power Bonus Leg PQC. QV includes PQC and PPV, which will allow the Associate purchasing the pack to qualify in the business period the pack is purchased for whatever bonuses they are eligible.

PQC and QV will not count toward Group Point Volume (GPV) requirements or the purchasing Associate's PMPV.

Returns, Refunds and Cancellations

All returns and cancellations of product and product pack orders will not count toward qualifications or commissions. Commission overpayments resulting from returns, refunds and/or recalculations may be deducted from future commissions, or they may be deducted from the pools prior to the commission runs. The company may also withhold future commissions or bonuses in the event a product pack for which you have already been paid a commission or bonus is returned.

Policies & Procedures

1	General Information	page 25	2.22	Promotion of Product for Animal Use	5.5	Payment Options		
1.1	Member		2.23	Misrepresenting the Company	5.6	Returned Checks		
1.2	Independent Associate		2.24	Career & Compensation Plan and Income Earning Misrepresentations	5.7	Credit Cards		
1.3	Associate Application and Agreement/ Identification Numbers		2.25	Product Claims and Misrepresentations	5.8	Sales Tax		
1.4	Establishing a Corporation, Partnership or Trust		2.26	Company Events	5.9	Purchase for Own Use (Inventory Requirements)		
1.5	Combining a Third-Party Agreement with Your Mannatech Business		2.27	Compliance with OAG Settlement	5.10	Stockpiling Product		
1.6	Responsibilities to Your Downline Organization		3	International Policies	page 33	5.11	The 70% Rule	
1.7	Voluntary Termination from the Company		3.1	How to Conduct Business Internationally		5.12	Replacement of Defective Product	
2	Conducting Your Business, Internet Usage, Product Sales and Recruiting	page 27	3.2	Gift of Products		5.13	Satisfaction Guarantee	
2.1	Advertising		3.3	International Sponsoring		5.14	Shipping	
2.2	Classified Advertising		3.4	Country Relocation		6	Laws, Regulations and Disciplinary Procedures	page 39
2.3	Telephone Directory Advertising		4	Sponsorship Business Rules	page 34	6.1	Amendments to Policies & Procedures	
2.4	Answering the Telephone		4.1	Rights to Choose Sponsorship		6.2	Removal of Policies & Procedures	
2.5	Business Stationery		4.2	Inducements to Select a Different Sponsor		6.3	Assignment	
2.6	Use of Company Name, Logo or Trademarks		4.3	Sponsor and Enroller Information		6.4	Governmental Laws	
2.7	Creation, Use and Disclosure of Third-Party Materials		4.4	Changing Lines of Sponsorship		6.5	Contacts with Government Regulators	
2.8	Representations as to Products		4.5	Sale or Transfer of Associate Position		6.6	Military Personnel	
2.9	Reproducing Approved Educational and Promotional Material		4.6	Inheritance of Associate Positions		6.7	Residents of Georgia, Louisiana and Montana	
2.10	Presidential Training Web Sites		4.7	Multiple Positions		6.8	Requirement for Regulatory Training	
2.11	Registration of In-Person Meetings and Telephone Conferences		4.8	Cross-Sponsoring of Spouses/Household Members		6.9	Monitoring of Meetings	
2.12	Use of Testimonials		4.9	Recruiting Associates into Other Companies		6.10	Reporting Violations	
2.13	Use of Online Sales Media		4.10	Renewals		6.11	Resolution of Disputes	
2.14	Reserved for Future Expansion		4.11	Downline Reports		6.12	Disciplinary Procedure	
2.15	Use and Registration of Internet Web Sites, Electronic Media and Company Trademarks		4.12	Confidential Proprietary Company Information/ Reports Provided to Associates		6.13	Disciplinary Appeal Procedure	
2.16	Company Intranet Guidelines		4.13	Business Periods		6.14	Termination of the Agreement by the Company	
2.17	E-mail Correspondence		4.14	Income Taxes		6.15	Effect of Termination	
2.18	Broadcast Fax		4.15	Commission Research Requests		6.16	Sanctions	
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2.20	Trade Shows and Expositions		5.1	Ordering Options		6.18	Indemnification	
2.21	Retail Sales		5.2	Mail Orders		6.19	Arbitration and Governing Laws	
			5.3	Discount Automatic Orders		Waiver	page 43	
			5.4	Canadian Orders/Registration		Index to 2009 Updates	Page 44	

1 General Information

The Policies and Procedures (“Policies and Procedures”) are an integral part of the Mannatech Associate Application and Agreement (“Application”) (hereinafter collectively referred to as “Agreement”). As an Independent Associate, you must comply with all the terms and conditions set forth by Mannatech, Incorporated (hereinafter referred to as the “Company”) within the Policies and Procedures, the Associate Application and Agreement, Career & Compensation Plan, all provisions indicated on Mannatech-produced forms and all Business System announcements, as well as honor all applicable laws and regulations in the state, province, country or other political subdivision where you live and in which you operate your Mannatech business. Please study this document carefully. Each Mannatech Independent Associate (the “Associate”) is responsible for adhering to the Agreement and Policies and Procedures. The Policies and Procedures apply to all Associates and will be enforced as such. Violation will subject the Associate to the Compliance Administration Procedure and any related disciplinary sanction imposed from the Procedure. The Board of Directors (“Board”) reserves the right to waive any rules embodied in the contents herein as deemed appropriate without explanation.

1.1 Member

- 1.1.1 A Member is a person who, upon signing and completing a Member Application (MOD USA1801101 and CAN1801111), may purchase Company product(s) directly from the Company at a discount of approximately 5% from the Suggested Retail Price. If no product is purchased at the time of enrollment, the membership fee is \$10.00. If product is ordered, then the membership fee is waived.
- 1.1.2 Since Member product orders are for personal consumption only, and not for resale, Members will not be required to submit any tax identification information.
- 1.1.3 Members are assigned an account number once the Member Application is accepted by the Company.
- 1.1.4 Only Members may order under their respective account number. A Member does not participate in the Career & Compensation Plan and does not earn commissions.
- 1.1.5 Members have no renewal requirements or obligations; however, they do participate in the Company retention program, which automatically deducts 45% of APO

(Actual Pay Out) from their product order(s) placed on or after a complete year from their enrollment date. A Member must submit an Associate Application and Agreement in the event they wish to become an Independent Associate and participate in the Career & Compensation Plan.

- 1.1.6 A Member must abide by the terms and conditions set forth on the Member Application.
- 1.1.7 Members can only have one Member account per household. Husbands, wives and/or household members must share one Member account. Member accounts may not be registered as businesses (or DBA), trusts corporations or partnerships.

1.2 Independent Associate

“Associate” is a term used to describe an independent distributor. An independent distributor is an Associate who purchases Company products for himself or herself and/or for retail to consumers and earns commissions through the Career & Compensation Plan by meeting certain volume requirements. As an Independent Associate of the Company, you have the following rights and responsibilities:

- 1.2.1 To earn commissions and bonuses on sales of Company products throughout the United States, Canada, and any other Country of Operation as defined in Section 3 in which Mannatech does business.
- 1.2.2 You are an independent contractor for all purposes, including legal purposes and governmental tax purposes. There is no employer/employee relationship, partnership, agency, or joint venture relationship between an Associate and the Company. Associates set their own business hours and determine their own methods of procuring orders. Associates are solely responsible for paying all taxes or duties required by law, including income tax, national insurance contributions and the proper reporting, submission and payment of tax on sales and bonuses/commissions/incentives. You will keep all proper records necessary to ensure the proper assessment and payment of any such taxes and duties.
- 1.2.3 You may not bind the Company or incur any debt or expense in the name of the Company or open any checking account on behalf of, for, or in the name of the Company.

- 1.2.4 The Company shall not be liable for any debts or liabilities that you may incur, whether or not such liabilities are incurred during the term of the Agreement.
- 1.2.5 You must always identify yourself as an “Independent Associate” in all written and verbal communications.
- 1.2.6 The Company has the right to request information about your business and downline to ensure compliance with the Agreement.
- 1.2.7 You do not earn bonuses on your own personal product purchases and acknowledge that bonuses/commissions/incentives are paid only on product sales. No benefits or bonuses are paid or received solely from sponsoring other Associates in the Company Career & Compensation Plan, and no earnings are guaranteed from mere participation in the Career & Compensation Plan.
- 1.2.8 You must operate your business in accordance with applicable laws and/or regulations.
- 1.2.9 You are prohibited from promoting or selling to existing Associates or prospective Associates any products, services or opportunities not directly produced or approved by the Company whether at a Company presentation, training event or otherwise as stated in Section 4.9.
- 1.2.10 You shall not utilize the services of an Associate that has been terminated by the Company, or any Shareholder, Member, or Partner of such terminated Associate, in conjunction with your Mannatech business.
- 1.2.11 You shall not utilize the services of a person, whether acting as your agent or on your behalf, who has been determined by the Company to be acting in derogation of these policies and procedures.
- 1.2.12 You cannot serve as an officer, director, or employee of MannaRelief during the time you are an Independent Associate of Mannatech.

1.3 Associate Application and Agreement/Identification Numbers

- 1.3.1 Any person, corporation, or other entity desiring Independent Associate status must complete a Company Associate Application & Agreement. The Company reserves the right to refuse to accept any prospective applicant without explanation and in its sole discretion. The prospective applicant must possess and provide a valid employer identification number (EIN),

social security number (SSN) or taxpayer identification number (TIN) in the U.S., or a social insurance number (SIN) or business number (BN) in Canada.

- 1.3.2 The Company will reject any application, at its sole discretion, in the event the prospective applicant fails to provide this information. Applicants who choose not to provide the information may sign up as a Member. Associates who are not 18 years of age or older must be in a joint distributorship with their parent(s)/guardian(s). The parent/guardian must personally sign all relevant Mannatech agreements and acknowledgments as co-applicants. Any Associate found not to be 18 years of age will be terminated immediately unless a parent or guardian assumes responsibility for the minor's Company business and provides indemnity (MOD USA1802001), or if the minor is emancipated by court order, or unless the law of the state/province where the Associate resides provides otherwise.
- 1.3.3 The Company must receive at Coppell, Texas, a fully completed and signed (by the prospective applicant) Associate Application and Agreement. The Agreement does not become effective until it is accepted by the Company at Coppell, Texas, and you have been assigned an account number. Incomplete applications will not be accepted and may not be returned. No commissions, bonuses and/or incentives will be paid until the Company receives the signed application, or, when registering electronically, the e-signature of the Associate accepting the Terms and Conditions.
- 1.3.4 Upon acceptance of the Application by the Company, you are assigned a company "Account Number" to serve as your official identification number when sponsoring new Associates or placing product orders. This account number is cross-referenced to your EIN, SSN, TIN, SIN or BN.
- 1.3.5 You must report changes to your account, DBA, sole proprietorship, Associate name or address to the Company within fourteen (14) days of the change occurring. If the change is clearly misspelling, inverted digit, or an incomplete entry in a name or address this change may be made by phone.
- 1.3.6 If you submit false EIN, SSN, TIN, SIN or BN to the Company, you may be subject to immediate termination. No EIN, SSN, TIN, SIN or BN may be used in connection with an Associate Application or order without that person's prior consent. If you submit forged signatures or false information on any Mannatech forms for yourself

or on behalf of another individual without the express written consent from the Associate and/or individual granting permission, your Agreement may be subject to immediate termination.

- 1.3.7 A new Associate may process an application by phone. However, the Company must receive a signed Application and Agreement from all new Associates. If a signed application or Signature Form for Applications by Phone (MOD USA1804601 and CAN1804611) is not received within 30 days from the phone application, the Company may suspend earned commissions until such time as the Company has received the signed Application. All accounts must have a valid contact name and telephone number to list on the account.
- 1.3.8 You are solely responsible for registering and/or obtaining any city, state or provincial licenses required to sell Company products.

1.4 Establishing a Corporation, Partnership or Trust

- 1.4.1 If your application is in the name of a corporation, partnership or trust, you must identify the shareholders, officers and directors of their corporate, partnership or trust entity by completing a Form C-1 (MOD USA1806401 and CAN1806411), Disclosure of Corporate Partnerships or Corporate Members, or a Form C-1 (a) (MOD CAN1806301 and CAN1806311), Disclosure of Trust Members. Any and all officers and directors of the Corporation or Partnership must provide a Statement of Guarantee and Indemnity (Form C-2 or Form C-2 [a]), respectively to the Company at the time the Associate Application and Agreement is submitted.
- 1.4.2 The Associate Application and Agreement may not be processed without all of the proper attachments. If the business entity adds new officers and/or directors, another Statement of Guarantee and Indemnity, Form C-2 or Form C-2 (a), must be completed and submitted to the Company. You must notify the Company of changes in individual shareholders, partners or directors within fourteen days of the change occurring.
- 1.4.3 The Company reserves the right to approve or disapprove your change of business name ("DBA Name") in the event it is offensive or conflicts with its trade names, trademarks, service marks or English law. If the Company approves such a change; the organization's name and the names of the principals of the organization must

appear on the Change of Associate Information Form, or a disclosure form with signed Guarantee of Indemnity. You may not use the name "Mannatech" or any of its product or trade names in your business name which might be confused with the Company.

1.5 Combining a Third-Party Agreement with Your Mannatech Business

- 1.5.1 A "third party" includes, but is not limited to, another Independent Associate or an unrelated individual/company offering business-building services or related/non-related goods and services.
- 1.5.2 The Company does not endorse or permit any third-party income representations, guarantees or other such representations to build your downline organization. In addition, the Company does not endorse any third-party individual or company making income representations through the use of third-party sales aids.
- 1.5.3 If you choose to enter into any such agreement with a third party, you do so at your own risk. The Company will not be bound by any such agreement or contract. The Company will not reimburse you for costs incurred as a result of any such agreement or contract described above.
- 1.5.4 You may not enter into third-party contracts combining any aspect of the Company business, as presented by the Company, with another offering having to do with the sale of the Company products, opportunity or the Career & Compensation Plan with any other non-Company component, agreement, business plan, method or device. The Company does not honor these agreements. The Company will not settle disputes resulting from third-party agreements or between Associates.
- 1.5.5 The Company does not allow the Mannatech Products or Career & Compensation Plan to be presented/offered in conjunction with any other business plan or other form of business. Violation of this Policy will be considered a breach of your Agreement and subject to termination of your Agreement.
- 1.5.6 You must not induce third parties to acquire the Company's products by representing to that third party that they would, after the acquisition of the Company's products receive cash bonuses, commissions or any other benefit from you in return for assisting you to supply the Company's products to others.

1.6 Responsibilities to Your Downline Organization

- 1.6.1 You are responsible for training your downline organization on effective and lawful methods of building a successful business and you are restricted from advising Associates to restructure their downline in a fashion that gives the Sponsor or upline Associates an income advantage, doing potential long-term damage to his or her Associate position.
- 1.6.2 You are responsible for answering questions for Associates whom you have personally sponsored. Associates who have questions about any aspect of the Company should contact their upline sponsors for assistance.
- 1.6.3 You are responsible for discussing and determining with your downline (prior to completing a new Associate Application) or otherwise enrolling a new position, which party will receive the Direct Bonus. The Company will not settle any disputes among Associates regarding these or other types of financial agreements. The Company will pay commissions to the party listed in its computer database as supplied to the Company.
- 1.6.4 You are responsible for fully explaining the Satisfaction Guarantee policy as set forth in Section 5.13.1 of these Policies & Procedures.

1.7 Voluntary Termination from the Company

Associates

- 1.7.1 An Associate who wishes to terminate an Associate account must submit such request in writing (Tax ID, SSN, EIN, SIN, etc., account number and signature must be included) or by completing the Voluntary Termination form (MOD USA1806001 and CAN1806011).
- 1.7.2 An Associate who voluntarily terminates may apply for reinstatement after the expiration of six (6) full business periods (the "waiting period"). Applications submitted under this section shall not be processed until the first day after the expiration of the waiting period. Spouses, dependent children or other household members of Associates who have terminated may not apply to become an Associate or Member in another line of sponsorship until the terminated Associate is eligible for reinstatement. (See Changing Lines of Sponsorship 4.4.4; 4.4.5; and 4.4.6)

- 1.7.3 A terminated Associate cannot sponsor new Associates. If a terminated Associate is listed on the Associate Application as sponsor, the new Associate will be contacted to provide the Company with a valid Sponsor Identification Number which relates to an Associate in good standing.

Canadian Associates

- 1.7.4 **Manitoba Residents Only:** Manitoba Residents Only: You can send your notice by registered or certified mail to Mannatech Inc., c/o Thompson Dorfman Sweatman, 2200-201 Portage Ave., Winnipeg, MB R3B 3L3, or you may deliver it there in person.
- 1.7.5 **Nova Scotia Residents Only:** You can send your notice by registered mail, fax, personal delivery or any other method that will allow you to prove that you gave notice, to: Ms. Heather Miller, 2276 Davison Street, RR1, Wolfville, Nova Scotia, Canada B0P 1X0 (telephone number 902-542-2337).

Members

- 1.7.6 Participants in the Member program must submit a termination in writing, and upon termination must wait six business periods before submitting an application to become either an Associate or a Member in another line of sponsorship. However, they may continue to order products at full retail price during the six-month reinstatement waiting period.

2 Conducting Your Business, Internet Usage, Product Sales and Recruiting

2.1 Advertising

- 2.1.1 Except in the case of advertising provided by the Company for the promotion of your MannaPages or subject to the provisions of Section 2.10 and 2.15, you may not advertise products by way of the Internet or any other form of media such as radio or television.
- 2.1.2 In order to protect its trademarks, the Company must restrict its Associates from producing their own advertisements to promote the Company or its products. The Company provides compliant advertisements for your use. Only those Company-produced sales materials

may be utilized to promote the Company and its products. The Company-approved advertisements must be used verbatim.

- 2.1.3 Prohibited materials include, but are not limited to:
 - 2.1.3.1 Outdated Company-produced literature no longer in circulation, and
 - 2.1.3.2 Those materials an Independent Associate creates and produces which are in violation of 2.7, 2.8 or 2.25 of these Policies and Procedures.

2.2 Classified Advertising

Notwithstanding the Associate Advertising Policy, you may use "lineage" or classified opportunity advertisements (less than [30] words in length) provided by the Company for publication via Internet search engines and in the opportunity section of local newspapers, magazines and directories. Approved classified advertising is available on the Internet home page at www.mannatech.com. These advertisements must be reproduced in their entirety without modification. Your name and contact information is all that can be added.

2.3 Telephone Directory Advertising

- 2.3.1 You may advertise in the telephone directory. Yellow Pages advertising must conform to all applicable Policies & Procedures. The approved White and Yellow Pages listing is as follows:

Associate's Name
Mannatech® Independent Associate
Associate Address
Associate Telephone Number

- 2.3.2 In the event the printer cannot insert the ® sign, there must be a line at the bottom of the ad that states "Mannatech is a registered trademark of Mannatech, Incorporated."
- 2.3.3 You may not use a telephone or toll-free number which, when numbers are converted to letters, spells out all or part of the name Mannatech or any of its products.

2.4 Answering the Telephone

You are prohibited from answering the telephone in any manner that gives the caller the impression that they have reached the Company's Corporate

office. Telephone recordings must state that the caller has reached an “Independent Associate” of Mannatech.

2.5 Business Stationery

You may purchase business cards and letterhead stationery through Company-designated companies. Order forms from such companies are distributed with every Business Pack. The title “Independent Associate” must always accompany your name when used in conjunction with the Company.

2.6 Use of Company Name, Logo or Trademarks

2.6.1 Except as permitted in Section 2.10 and 2.15, you may not use the Company name, logo, trademarks and/or names of Company products in Associate-produced advertisements or materials.

2.6.2 You can use only the “Mannatech Independent Associate” logo. You may not reproduce the “Mannatech Incorporated” logo except as permitted in Section 2.10 and 2.15.

2.6.3 Except in the case of advertising or instructions provided by the Company for the promotion of your MannaPages, you may not use the name Mannatech or any of its trademarks as a part of your business name, Corporation name, Internet name, URL or domain name, metatags source and search code, or e-mail address.

2.6.4 You may not use the names or images of Company employees, executives, consultants, athletes, celebrities and/or organizations who endorse the Company, except as specifically written in current Company-approved materials or except as permitted in Section 2.10 and 2.15.

2.6.5 You are prohibited from using names of any other companies, hospitals or institutions when promoting the Company.

2.7 Creation, Use and Disclosure of Third-Party Materials

2.7.1 All sales aids, generic materials, or other materials not produced by the Company are considered “third-party materials.” This definition is intended to include sales aids and materials that are either in printed, audio, video or electronic formats.

2.7.2 Materials are considered “generic” if they can be utilized by any other company in our industry.

2.7.3 You are prohibited from creating, selling or distributing third-party materials which link the benefits of Mannatech products, the ingredients of Mannatech products and/or glyconutrients in conjunction with any particular disease, disease process or disease claim, or which violate 2.8 or 2.25 of these Policies and Procedures. You must only use compliant materials when representing the Company and the Company’s business, the Career & Compensation Plan, training other Associates and/or making representations in connection with the products. Materials must be compliant for the country in which they are to be used.

2.7.4 In addition to the requirement set forth in 2.7.3, and except as permitted in Section 2.10, you may use generic materials only if:

2.7.4.1 they do not contain mention of the Company, its products, trade names, the specific ingredients of its products or the Compensation Plan, and

2.7.4.2 they have not been created solely for use in connection with the promotion or sale of Mannatech products or the opportunity.

2.7.5 You must notify the Company within 30 days of the first distribution of any new third-party promotional material (booklet, CD, DVD, or otherwise) related to the Company, its products or glyconutrients which is not produced by the Company and from which you derive (directly or indirectly) any compensation. You must:

2.7.5.1 Provide your name, Associate account number, the newly created third-party promotional material, the title, author and date of first distribution to the Company by:

2.7.5.1.1 e-mailing the requested information and CD/DVD transcripts in a Word or PDF format to lec-materials@mannatech.com;

2.7.5.1.2 faxing the requested information to 972.471.5619; or

2.7.5.1.3 mailing a copy of said materials to Mannatech, Incorporated, Attn: Legal Department, 600 S. Royal, Suite 200, Coppell, TX 75019.

2.8 Representations as to Products

As an Independent Associate you acknowledge that Mannatech products are not a substitute for a doctor’s care or standard of care in the treatment or prevention of a specific disease, and you shall not make representations to the contrary.

2.9 Reproducing Approved Educational and Promotional Material

You may copy Company-produced promotional materials verbatim in whole or in part for use in conducting your business. Educational materials may ONLY be used verbatim and IN THEIR ENTIRETY. You may not duplicate or record audio or video materials (including those materials produced for use on corporate web site) produced by the Company. Any recording or duplication is strictly prohibited. Mannatech may require, among other things, that you cease and desist from using or distributing such recordings; and/or destruction, at your cost, of non-authorized recordings.

2.10 Presidential Training Web Sites

2.10.1 **Qualification.** Those Associates that attain and maintain Presidential status for six (6) consecutive business periods qualify to establish a Company-approved internet training site (“Training Sites”).

2.10.2 **Use of Company Marks.** Training Sites may use the Company name, Company logo, Company marks, images and other representations of Company Products. The Company will supply these assets to persons authorized under Section 2.10.1. All training site content shall be password protected.

2.10.3 **Permitted Information.** Training Sites may contain the following materials:

2.10.3.1 Introductory training information for New Associates;

2.10.3.2 Basic/continuing training information for Associates;

2.10.3.3 Product-Specific training information (provided by the Company);

2.10.3.4 Business Building training information;

2.10.3.5 Compliance training information (provided by the Company);

- 2.10.3.6 Links to any Mannatech-controlled web site (excluding any Associate MannaPages);
 - 2.10.3.7 Suggested Reading;
 - 2.10.3.8 Calendar and Conference Call Information;
 - 2.10.3.9 Biographical Information on the Presidential.
- 2.10.4 **Precluded Information.** Training Sites shall not:
- 2.10.4.1 Accept registrations of new Associates;
 - 2.10.4.2 Offer Company Products for sale;
 - 2.10.4.3 Contain information which violates the Associate Policies & Procedures;
 - 2.10.4.4 Include blogs or message boards;
 - 2.10.4.5 Contain information on Subjects not directly related to Mannatech;
 - 2.10.4.6 Provide links to individual MannaPages or any web site not controlled by Mannatech; and
 - 2.10.4.7 Provide links to any web site which assert/suggest Mannatech products and/or glyconutrients cure, treat, mitigate or prevent a specific disease.
- 2.10.5 **Registration.** Once an Associate has qualified to establish a Training Site, the Associate may do so by:
- 2.10.5.1 Submitting a request to associatetraining@mannatech.com;
 - 2.10.5.2 Providing Associate name, account number, address, web domain and URL information and all necessary login/password information as required by the Company;
 - 2.10.5.3 Posting material on the Training Site which complies with guidelines established by the Company;
- 2.10.6 **Maintenance.**
- 2.10.6.1 The Associate shall maintain the Training Site in conformity with all such guidelines set forth by the Company;
 - 2.10.6.2 The Associate shall promptly make such changes to the Training site as are requested by the Company;
 - 2.10.6.3 The Associate shall notify the Company in writing (by e-mail to associatetraining@mannatech.com)

upon making additions or material changes to the content of the training site.

- 2.10.6.4 The Associate may charge a reasonable fee (following guidelines established by the Company) for access to the Training Site
- 2.10.7 **Loss of Privileges.** An Associate shall disable a portion and/or the entire Training Site if:
- 2.10.7.1 Advised by the Company that a portion and/or the entire Training Site violates the Associate Policies and Procedures
 - 2.10.7.2 Advised by the Company that a portion and/or the entire Training Site violates the guidelines established by the Company for the operation of said sites.
 - 2.10.7.3 Advised by the Company that the Associate had lost Presidential Status for three (3) consecutive business periods
 - 2.10.7.4 Terminated or suspended by the Company.
 - 2.10.7.5 Placed on probation by either the Compliance Committee or the Appeal Panel, and disabling the Training Site is a specific sanction ordered.

2.11 Registration of In-Person Meetings and Telephone Conferences

- 2.11.1 **In-Person Meetings.** You (as the "Meeting Sponsor") are required to notify the Company of each in-person meeting where you intend to advertise or promote the Company, its products, or the business opportunity where more than 20 people are invited or reasonably expected to attend. You must provide the Company:
- 2.11.1.1 21-days advanced notice of the meeting, including your name, Associate account number, and the date, time and location of the meeting.
 - 2.11.1.2 with notice within 24 hours of any meeting where 21-days advanced notice cannot be given, providing the information requested in 2.11.1.1. No meeting can be scheduled with less than 5 days advanced notice to the Company.
- 2.11.2 **Telephone Conferences.** You (as the "Meeting Sponsor") are required to notify the Company of each telephone conference where you intend to advertise or promote the Company, its products, or the business

opportunity where more than 20 people are invited or reasonably expected to attend. You must provide the Company:

- 2.11.2.1 5-days advanced notice of the meeting, including your name, Associate account number, and the date, time and access code information for the conference call.
 - 2.11.2.2 with notice within 24 hours of any meeting where 5-days advanced notice cannot be given, providing the information requested in 2.11.2.1. No meeting can be scheduled with less than 24 hours advanced notice to the Company.
- 2.11.3 **Notice of meetings or conference calls can be given to the Company by:**
- 2.11.3.1 e-mailing the requested information to lec-meetings@mannatech.com;
 - 2.11.3.2 faxing the requested information to 972.471.5619;
 - 2.11.3.3 mailing the requested information to Mannatech, Incorporated, Attn: Legal Department, 600 S. Royal, Suite 200, Coppell, TX 75019.

2.12 Use of Testimonials

- 2.12.1 **Testimonials.** In conjunction with the sale of Mannatech Products, Independent Associates shall not use testimonials which link the benefits of Mannatech products, the ingredients of Mannatech products and/or glyconutrients in conjunction with any particular disease, disease process or disease claim.
- 2.12.2 **Opportunity Meetings.** Subject to 2.12.1, the host at opportunity meetings may allow attendees to make testimonials concerning generally improved health and well-being (statements which do not link the benefits of Mannatech products, ingredients of Mannatech products, and/or glyconutrients in conjunction with any particular disease, disease process, or disease claim) they have personally experienced after use of Company products. During the testimonial segment of the opportunity meeting, the proper disclaimers must be displayed (see text below).
- Disclaimer: Mannatech nutritional products are designed to maintain health and general well-being. Mannatech makes only those claims for its products that are on product labels or in Mannatech-approved*

promotional materials. Mannatech nutritional products are not promoted for the prevention, treatment or cure of any disease and are not intended to substitute for a doctor's care or for proven therapy.

- 2.12.3 **Recording.** The recording of permitted testimonials (by audio, video or otherwise) at opportunity meetings is not allowed, and is to be enforced by the host and/or meeting leaders.
- 2.12.4 **Educational Meetings.** Educational meetings are for informational purposes only; no promotion of the products or the business of the Company shall take place.
- 2.12.5 **GlycoLEAN®.** Associates are able to make testimonials relating to GlycoLEAN® products provided that:
 - 2.12.5.1 All statements are truthful;
 - 2.12.5.2 All statements are accurate;
 - 2.12.5.3 All statements are verifiable; and
 - 2.12.5.4 Notices are provided that individual results may vary.
- 2.12.6 **Mannatech Optimal Skin Care System™.** Associates are able to make testimonials relating to Mannatech Optimal Skin Care System™ products provided that:
 - 2.12.6.1 All statements are truthful;
 - 2.12.6.2 All statements are accurate;
 - 2.12.6.3 All statements are verifiable; and
 - 2.12.6.4 Notices are provided that individual results may vary.
- 2.12.7 **Mannatech OsoLean™.** Associates are able to make testimonials relating to Osolean™ products provided that:
 - 2.12.7.1 All statements are truthful;
 - 2.12.7.2 All statements are accurate;
 - 2.12.7.3 All statements are verifiable; and
 - 2.12.7.4 Notices are provided that individual results may vary, and that Osolean™ must be taken in conjunction with a reduced caloric intake and a regime of physical exercise.
- 2.12.8 **Photographs, Videotapes & Other Media.** Except as allowed under these Policies and Procedures, use of "before-and-after" photographs, videotapes, or other forms of recorded media which suggest or imply a link between the benefits of Mannatech products, the ingredients of Mannatech products, and/or glyconutrients in conjunction with any particular disease or disease process is expressly forbidden.

2.13 Use of Online Sales Media

- 2.13.1 Associates may not sell Mannatech products on online auction web sites, virtual sales malls or other online sales media.

2.14 Reserved for Future Expansion

2.15 Use and Registration of Internet Web Sites, Electronic Media and Company Trademarks

- 2.15.1 **Use of the Internet.** The Company maintains a web site at www.mannatech.com, and offers our Associates Company produced websites ("MannaPages"). Associates may also have their own web sites, blogs, and other electronic medium (such as YouTube, MySpace, Facebook, Twitter, etc.), hereinafter referred to as "Associate Internet Sites," to promote their Mannatech business by complying with the provisions below.
- 2.15.2 **Registration Requirement.** You must register each website, blog, or other electronic medium used in connection with your Mannatech business within ten (10) business days of the creation of the site, providing your name, account number, URL of the site, and any passwords necessary to fully access the site. You may provide this information by:
 - 2.15.2.1 E-mailing the requested information to lec-registration@mannatech.com
 - 2.15.2.2 Faxing the requested information to 972.471.5619; or
 - 2.15.2.3 Mailing the requested information to Mannatech, Incorporated, Attn: Legal Department, 600 S. Royal, Suite 200, Coppell, Texas 75019.
- 2.15.3 **Use of Company Name/Intellectual Property.** Associates must comply with the Intellectual Property stylebook (which can be found at Mannatech.com in the library section) in using the Corporate Name, trademarks, copyrights, product names, ingredients, or in discussing the business opportunity. Associates must prominently represent to the public they are Mannatech Independent Associates.
- 2.15.4 **Links to Corporate Sites.** Associates may provide a direct link from their Associate Internet Site to their MannaPages website, to www.Mannatech.com, and to any other Company-controlled URL. An associate may

also provide a direct link from their MannaPages website to their Associate Internet Site.

- 2.15.5 **Search engines.** Associates may provide a direct link to their MannaPages website and any Associate Internet Site from internet search engines provide the search parameters (metatags, search and source codes, etc.) are compliant.
 - 2.15.5.1 You may not bid on key words, advertise on websites, or utilize search parameters that address specific diseases, disease claims, or disease processes.
- 2.15.6 **Precluded Actions.** Your Associate Internet Site may not:
 - 2.15.6.1 Contain content (text, testimonial, audio, photo, video, or otherwise) which asserts or implies that Mannatech products, Mannatech product ingredients, or glyconutrients cure, treat, mitigate or prevent a particular disease, disease claim, or disease process;
 - 2.15.6.2 Link to another web site that contains contents which asserts or implies that Mannatech products, Mannatech product ingredients, or glyconutrients cure, treat, mitigate or prevent a particular disease, disease claim, or disease process;
 - 2.15.6.3 Have the Company name, Company product names, Company trademarks, or disease names/conditions in the URL;
 - 2.15.6.4 Contain content (text, testimonial, audio, photo, video, or otherwise) that misrepresents Mannatech, its products, or the business opportunity to the public; and
 - 2.15.6.5 Offer Mannatech products under a different and/or generic product name, either by renaming, relabeling, or repackaging; and
 - 2.15.6.6 Utilize an e-commerce feature other than offering a direct link to the Associate's MannaPages website or www.mannatech.com.
- 2.15.7 **Responsibility for Site.** The Company will hold Associates and any content providers strictly liable for the material contained on the Associate Internet Site.
- 2.15.8 **Reservation of Rights.** The Company reserves the right to seek any and all remedies available by law, including injunctive relief, in addition to a disciplinary compliance action by the Company to remove non-compliant or offensive material from the internet that relates to the

Company, its officers, directors, employees, Associates, trademarks, proprietary property, products or business. Sanctions for a disciplinary compliance action are set forth in Section 6.12.13, and range from a warning to termination of the Associate.

2.16 Company Intranet Guidelines

The Company may provide Associates access to password-protected intranet web site information. This information is intended to serve as a communication tool for Associates only. You may not use portions of the password-protected site for recruitment and/or the sale of products. These portions include, but are not limited to, streaming video portions (collectively referred to as the "Theater"). You may not give your password to any individual for the purpose of accessing the web site information. Any misuse of the intranet will result in disciplinary action in accordance with the Associate Disciplinary Procedure.

2.17 E-mail Correspondence

You may use e-mail to communicate Company information. You are solely responsible for ensuring that the content complies with the Associate Policies and Procedures and applicable laws related to e-communications prior to forwarding written correspondence to any individual. Associates violating this policy are subject to the Compliance Disciplinary Procedure.

- 2.17.1 Recipients who wish to be removed from a mail list should notify the sender directly. Upon receipt, the Associate must remove the requestor from the mailing list immediately as required by law.
- 2.17.2 Associates should not send or excerpt materials which violate 2.7, 2.8 or 2.25 of these Policies and Procedures to other Associates or prospects.
- 2.17.3 Associates must always comply with local and federal regulations, including but not limited to the CAN SPAM Act. Associates are strictly prohibited from sending unsolicited e-mail (i.e., e-mail blasts or "spam") and/or posting electronic messages on Internet bulletin boards to advertise the Company, Career & Compensation Plan and/or the products. If you participate in chat rooms, you do so at your own risk and are solely responsible for any statements made in this medium and must observe

Company Policies prohibiting medical, product and income misrepresentation in all electronic messaging formats.

- 2.17.4 You are prohibited from buying e-mail address lists and sending unsolicited materials to individuals from whom you have not received permission.
- 2.17.5 The Company may notify you via e-mail (in the event you have provided your e-mail address) of upcoming events or general information. If you do not want to receive this correspondence, contact the Associate Relations Department at the e-mail address provided in the document.
- 2.17.6 Associates may include links or references to their MannaPages if the originating source of the link does not violate Associate Policies and Procedures. Prohibited sources include, but are not limited to, non-compliant web sites, and/or sources that include disease references, personal testimonials, income claims, and the like.

2.18 Broadcast Fax

The Company strictly prohibits the use of unsolicited broadcast faxing to market, promote or otherwise advertise the Company or its products. You may fax materials promoting the Company or products only to individuals from whom you have obtained prior consent. However, you must immediately discontinue faxing should the individual revoke his or her prior consent. Associates who violate this Policy may also be liable for violation of state and/or federal regulations.

2.19 Contacting the Media

- 2.19.1 All media inquiries (radio, television, newspapers, magazines, or any other periodicals or media) are to be referred to the Executive Director of Marketing. Associates who contact the media directly or indirectly to participate in any fashion are strictly prohibited from discussing the Company, products, business or Career & Compensation Plan, or to provide testimonials of any kind. You are not authorized to represent the Company if contacted by the media.
- 2.19.2 **Personal Appearances**—You are prohibited from representing the Company either directly or indirectly on television, cable television or radio without prior written permission from the Company.

- 2.19.3 **Public Relations**—You are prohibited from employing broadcast media either directly or indirectly as a form of public relations, including but not limited to news releases, articles and talk-show appearances without prior written permission.

- 2.19.4 **Meeting Notices**—Notification for public opportunity meetings for insertion into newspapers or periodicals must comply with all Associate Policies and Procedures. Specifically, they may not allude to any income representations or medical/disease claims or reference disease names.

2.20 Trade Shows and Expositions

- 2.20.1 You may conduct your Mannatech business at trade shows, expositions or other public forums.
- 2.20.2 An Independent Associate is responsible for securing all approvals, admissions, floor space, etc., in conjunction with participation at said events.
- 2.20.3 An Independent Associate must be physically present at his booth at all times during an event.
- 2.20.4 Only materials which do not violate 2.7, 2.8 or 2.25 of these Policies and Procedures may be displayed, and you must identify yourself as a "Mannatech™ Independent Associate."

2.21 Retail Sales

- 2.21.1 The Company uses network marketing as its chosen method to share its business opportunity. The foundation of this is based upon one-on-one contact with others who may want the products and who may want to become involved in the business opportunity. Once this method of marketing is chosen and independent sales Associates put their time, energy, and resources into building a business, the Company and all Associates have a responsibility to consistently support network marketing.
- 2.21.2 You may sell or display Company products in (1) offices or other areas located in a private club that are not accessible to, or in view of, the general public; or (2) private offices of professionals who operate by appointment only, including but not limited to, beauty salons, spas, medical offices, and dental offices. Your ability to sell Company products under this paragraph may be subject to state law or other rules or regulations of government agencies or professional organizations. You are

solely responsible for complying with any and all laws, rules, and regulations related to the sale of the Company Products.

- 2.21.3 You may not sell or display Company products in a permanent retail establishment. Examples include, but are not limited to department stores, beauty supply stores, supermarkets, drug stores, newsstands, health food stores, vending machines, mall carts, and flea markets.
- 2.21.4 You may, however, offer Company products in a permanent retail establishment provided that (1) the proprietor is an Associate, (2) the store is dedicated to the promotion of wellness and complementary health care, (3) consultation on the use of Company products is available to the customers, (4) only Company approved promotional materials are used, and (5) Company products are kept in a locked display case, behind a counter, in a separate room, or are otherwise not accessible in a self-service environment.
- 2.21.5 You may sell products for any price you choose. Retail prices set by the Company are recommended prices only.
- 2.21.6 You may not re-label or in any manner alter the label on any Company product. Additionally, you may not repack or refill products and must sell products in their original, unopened containers. If you participate in this activity, you expose yourself to potential criminal charges and/or civil damage claims.
- 2.21.7 You must supply all retail customers with a properly completed sales receipt in a format applicable to your jurisdiction. For more information and available forms, please see the Mannatech Online Document library. Associates must maintain copies of sales receipts for a period of no less than two years and must furnish them to the Company upon request.
- 2.21.8 You must inform the buyer of their cancellation rights at the time of the sale. You must allow retail customers the ability to cancel their order within ten business days and allow full refunds ten days after receipt. In the event that the Company must reimburse a dissatisfied retail customer on your behalf, refunds will be deducted from commissions and you may be subject to disciplinary review.

2.22 Promotion of Product for Animal Use

Company products are designed for human

consumption/application only. Promotion of these products for animal use is therefore prohibited.

2.23 Misrepresenting the Company

Presenting the Company, Career & Compensation Plan, employees or products in a deceptive, fraudulent, slanderous or misleading way will result in disciplinary action that may include termination of your Associate Agreement, when such conduct becomes known to the Company.

- 2.23.1 You are prohibited from referencing research or publications that were conducted by or financed by Mannatech without clearly and conspicuously disclosing Mannatech's participation in the research.
- 2.23.2 You are prohibited from referencing research or publications that were conducted by, financed by, or otherwise controlled by a Mannatech Independent Associate without clearly and conspicuously disclosing that the research/publication was conducted, financed by, or otherwise controlled by a Mannatech Independent Associate who receives compensation from the sale of Mannatech products.
- 2.23.3 You are prohibited from referencing a publication that is directly or indirectly represented to be a scientific publication, published by a Mannatech Independent Associate, without clearly and conspicuously disclosing that the publication is controlled by a Mannatech Independent Associate who receives compensation from the sale of Mannatech products.
- 2.23.4 You are prohibited from referencing research or publications of the Fisher Institute without clearly and conspicuously disclosing the Independent Associate status of the Fisher Institute at the time the research was conducted or the publication was published.

2.24 Career & Compensation Plan and Income Earnings Misrepresentations

Opportunities for income under the Career & Compensation Plan are determined by many factors, including the ability and perseverance of the individual. You may not make statements alluding to the income potential of any prospective Associate except as stated in Corporate literature or make statements regarding their personal income without stating that the income

is not necessarily representative of the income an average or typical Associate can earn. Associates must utilize the Income Statistics provided by the Company to properly represent potential or average income figures. All income is strictly derived from sale of products. The Canadian compensation disclosure must be used when offering the business plan to any person in Canada if earnings representations are being made. Misrepresentation of income earnings or Career & Compensation Plan includes, but is not limited to, the following:

- 2.24.1 Reviewing the Career & Compensation Plan with any person without (i) clearly stipulating that no remuneration is received solely for enrolling or sponsoring new Associates and (ii) providing required compensation disclosure(s).
- 2.24.2 Reviewing the Career & Compensation Plan with any person without informing them that, other than the initial \$39 application fee (enabling them to become an Associate), there is no ongoing purchase requirement to become or remain an Associate.
- 2.24.3 Reviewing the Agreement with prospective Associates without presenting all entry and upgrade levels, explaining the differences between Member, Preferred Associate and All-Star options before new recruits sign the Application & Agreement.
- 2.24.4 Reviewing the Automatic Order (AO) details, without disclosing that the AO is optional, generates 13 times a year (every 28 days), is automatically charged to the credit card provided or debited from their bank account, and that the products selected are shipped directly to the address provided each Business Period until the Company is notified in writing to discontinue the AO.
- 2.24.5 Representing, either directly or by implication, that all participants who enter into the business will succeed.
- 2.24.6 Misrepresenting the amount an average Associate might expect to earn in carrying on the business (for example, you may not show copies of Company-issued checks to represent potential earnings).
- 2.24.7 Misrepresenting the cost amount that an average Associate might expect to incur in carrying on the business.
- 2.24.8 Misrepresenting the amount of time an average Associate would have to devote to the business in order to achieve income or Leadership levels. You may not

represent or imply that it is relatively easy to succeed in the business but may only represent that participant's success occurs through hard work and diligence.

- 2.24.9 Representing through statements or implication that you will build a downline for a person.
- 2.24.10 Using any misleading, deceptive or unfair recruiting methods.
- 2.24.11 Discussing or making warranties, representations or statements concerning Company products in a manner that is inconsistent with the Company-produced literature.
- 2.24.12 Promoting the Company, its products and/or business plan in conjunction with the sale of stocks or securities related to the Company.
- 2.24.13 Manipulation or reconstruction of downline organizations through violations of the cross-sponsoring, inducement and/or multiple position policies.

2.25 Product Claims and Misrepresentations

You are prohibited from making direct, indirect or implied medical or other claims regarding the prevention, treatment, cure or mitigation of any disease from the use of Company products. Additionally, you may not:

- 2.25.1 Make any representation (oral, written or otherwise) about Company products which violate 2.7, 2.8 or the provisions of this section of these Policies and Procedures.
- 2.25.2 Discuss or make warranties, representations or statements concerning Company products in a manner that violates 2.7, 2.8, or the provisions of this section of these Policies & Procedures.
- 2.25.3 Use or distribute, for the purpose of marketing products or in promotion of the Career & Compensation Plan, materials which violate 2.7, 2.8 or the provisions of this section of these Policies & Procedures.
- 2.25.4 Re-label or in any manner alter the label of any Company product. Additionally, you must not repack- age or refill Company products and must sell Company products in their original, unopened containers.
- 2.25.5 Use third-party individuals, business entities and/ or organizations (such as Mannatech Members, MannaRelief, Fisher Institute, etc.) in any deceptive or misleading manner in connection with the promotion of Mannatech products.

2.26 Company Events

- 2.26.1 The Company will offer events during the course of the calendar year to provide training opportunities for Independent Associates, offering information on new and existing products, new marketing and training tools, business building techniques and education regarding compliance with the Associate Policies & Procedures. Independent Associates are strongly encouraged to attend all events sponsored by the Company.
- 2.26.2 While a Company event is in session, you are prohibited from recording (by audio, video, photo, electronic or otherwise) the speeches or the visual aids used in conjunction with said speeches. The Company may provide written materials and/or post materials on its web site for use by Independent Associates.

2.27 Compliance with OAG Settlement

You are obligated to comply with the terms of the Agreed Final Judgment in the case styled State of Texas vs. Mannatech, Incorporated, et al, Cause No. D-1-GV-07-1386, the terms of which have been incorporated into various sections of these Associate Policies & Procedures.

- 2.27.1 A copy of the Agreed Final Judgment can be found on Mannatech's web site MOD 1817801.
- 2.27.2 Questions regarding compliance with the Agreed Final Judgment or the Monitoring and Compliance Program therein may be directed to Mannatech, Incorporated, Attn: Senior Corporate Counsel – Compliance, 600 S. Royal, Suite 200, Coppell, TX 75019, or lec-monitoring-program@mannatech.com,

3 International Policies

3.1 How to Conduct Business Internationally

- 3.1.1 Only after the Company has announced that a country is officially open for business may you do business in that country by promoting the Company and/or selling Product Packs. You are required to follow all laws, rules and regulations of any Country of Operation. You may use only promotional materials approved by the Company for use in that Country of Operation and sell only products approved for sale in that country. You must refer to the International Policy when traveling into unauthorized countries of operation. Currently,

Mannatech is authorized only to conduct business in the countries set forth in MOD US/CAN 1817601. Any other countries are considered unauthorized countries of operation. Therefore, when you travel to these countries, the following Policy applies. You must not:

- Advertise the Company, Career & Compensation Plan or products.
- Offer Company products for sale or distribution.
- Reproduce or self-produce literature for distribution.
- Accept payment for enrollment or recruitment from citizens of countries where Mannatech does not conduct business.
- Conduct opportunity meetings.
- Promote International Expansion via the Internet or in promotional literature.

- 3.1.2 Products may only be lawfully sold in those jurisdictions for which they have been approved. Please refer to the product list for each country of operation.

- 3.1.3 If you are found to be in violation of an International Policy, you will be subject to the Associate disciplinary procedure.

- 3.1.4 You are solely responsible for compliance with all laws, tax requirements, immigration customs laws, rules and regulations of any Country of Operation. You accept the sole responsibility to conduct your independent business lawfully within the Country of Operation.

3.2 Gift of Products

Gift of products to a person in an Unauthorized Country of Operation are allowed only if the unauthorized country allows such gifts under the laws and regulations that govern the Company products. It is your responsibility to confirm with the Customs Bureau where you intend to gift the product to determine if the products are allowed in the country.

3.3 International Sponsoring

- 3.3.1 Only Associates in good standing may act as an International Sponsor. The Company, at its sole discretion, reserves the right to reject at any time your international distribution and sponsoring rights upon written notice at your last known address.

3.3.2 Your right to act as an International Sponsor or to receive commissions in a Country of Operation may be revoked at any time if the Company determines that you have not conducted yourself in accordance with the terms and conditions contained herein or the governing laws of the Country of Operation.

3.3.3 You have no authority to take any steps in any country toward the introduction or furtherance of the Company. This includes, but is not limited to, any attempt to register or reserve Company names, trademarks or trade names, to secure approval for products or business practices, or to establish business or governmental contacts. You agree to indemnify the Company for all costs incurred by the Company for any remedial action needed to exonerate the Company in the event you improperly act purportedly on behalf of the Company.

3.3.4 The Company reserves the right to establish additional Policies and Procedures that are applicable to a specific country. Associates who conduct business internationally agree to abide by all special policies established by the Company for the specific Country of Operation.

3.4 Country Relocation

Associates relocating to other countries of operations should contact the in-country Customer Service department to receive the country specific information regarding relocation procedures (see MOD USA/CAN 1817701).

4 Sponsorship Business Rules

4.1 Rights to Choose Sponsorship

4.1.1 Prospective applicants have the right to choose his or her immediate line of sponsorship. Implied loyalty to an individual who made the initial Company introduction does not obligate one to accept that individual's sponsorship. (For example, prospective applicants are not obligated to be sponsored/enrolled by someone who merely provides a Company video or other promotional material.) The Company does not have an obligation to settle or be a part of any disputes concerning sponsorship (or agreements in connection with sponsorship bonuses). The Sponsor/Enroller of a new Associate will be the Associate indicated in the Associate Application and Agreement

signed by the prospective applicant and/or entered as the sponsor/enroller in the Company's computer system.

4.1.2 Once an Associate Application and Agreement has been accepted by the Company and/or the account number assigned, sponsor/enroller changes are only permitted in the event of Company error, or if the Company is notified in writing by the new Associate and/or the Associate's current and new Sponsor or Enroller before any commissions are paid.

4.2 Inducements to Select a Different Sponsor

4.2.1 Notwithstanding the Rights To Sponsorship Policy, it is against Company policy to induce or allow an individual, family member or business partner of an existing Associate to sign up under your line of sponsorship for the purpose of circumventing the original upline from future income.

4.2.2 Company meetings are open to all interested parties. You must not imply that interested parties are not welcome to attend the meetings or imply that assistance will not be given to them if they are not in your downline. Associates must feel secure when sending prospects to these meetings, and all prospects attending the meeting should be referred back to the person that sent them. It is against Company policy to sponsor a prospect at the meeting who was sent by another Associate.

4.2.3 You may not offer monetary rewards, free products or any other material inducement to entice a prospect to enroll under your line of sponsorship when it is made known that he or she has been working with another Associate.

4.3 Sponsor and Enroller Information

Independent Associate Application

4.3.1 You must provide the Company with valid Sponsor and Enroller details at the time your application (this includes telephone applications) is submitted. Applications received without Sponsor and Enroller information will be returned to the applicant unprocessed. Sponsors/Enrollers must be in the same leg of an organization. Applications received with either a Sponsor or Enroller will be processed making the Sponsor and/or Enroller the same person. The Company is not responsible for contacting the applicant or the upline to verify the information provided. Associates who fail to provide correct Sponsor and Enroller, on the Sponsor Change, will be

denied. The Internal Revenue Service (IRS) and Revenue Canada require that we report your annual income exceeding a set dollar value as directed by each country.

4.3.2 Associates have seven business days to make Sponsor/Enroller changes so long as there are seven business days left in the current business period. When less than seven business days are left in the current business period, Associates have until the end of that current business period to request Sponsor/Enroller changes. Please refer to the Sponsor Change Request Form, MOD USA 1807201 and CAN 1807211.

Member Application

4.3.3 In order to sponsor a Member and earn commissions from your product purchases, you must be a Qualified Associate (as defined in the Career & Compensation Plan). Members will only have a Sponsor. Orphan positions (those being applications missing Sponsor information) will not be allowed and will be returned to the submitting party. Members will be placed in your downline organization as the Sponsor's physical and pay level one. Members who want to become Associates can do so at any time as long as they remain under the same Sponsor's organization (MOD USA 1807801 / CAN 1807811).

4.4 Changing Lines of Sponsorship

Independent Associate Positions

4.4.1 The Company will not permit any change in the line of sponsorship except in the following circumstances:

- Where an Associate has been fraudulently induced into joining the Company or
- Where, due to Company error, the sponsor has been entered incorrectly into the Company database.

4.4.2 If the request is made after seven days but no more than 28 days from the time of enrollment, the Associate must submit the written consent of his or her current Sponsor and the additional signatures as required on the Sponsor Change Request form on Mannatech Online Document USA1807201/CAN1807211. If, at the time of the request, the requesting Associate has a downline organization in place, the change will not be granted by the Company.

4.4.3 The Associate must supply written consent of all Associates in the organization whose income is arguably affected. However, the Company maintains right of

- refusal if circumstances violate other Policies, Procedures and/or the Business Rules of the Company.
- 4.4.4 If you terminate your position in writing, you may rejoin under a line of Sponsorship of choice after six (6) full Business Periods. Termination of the position will result in forfeiture of all rights, bonuses and commissions under the previous line of sponsorship (see Policy 1.7). After the voluntary termination notice has been received by the Company, you may not hold meetings, attempt to enroll new Associates or sell product. If you are found to be actively pursuing the business during the termination period, the Company reserves the right to reject your Application and refuse to allow you to join under a new line of Sponsorship. Associates who voluntarily terminate their Associate positions may join in a new position under a new line or the same line of sponsorship provided all requirements are met. Position transfers are subject to the Company's approval which may be withheld at any time.
- 4.4.5 You may sign up in a new position under a different Sponsor if you did not renew the original position after your effective renewal date, and there has been no activity in the original position for the previous six (6) full Business Periods. As an inactive Associate, you shall not refer to yourself as a Mannatech Independent Associate or hold or participate in educational or promotional meetings. You should discontinue using any materials bearing the Company logo, trademark or services mark(s), you shall not continue to communicate with the Company, not attempt to sponsor or enroll new Associates or otherwise sell Company product(s). If you are found to be actively pursuing the business during the inactive period, the Company reserves the right to refuse your application under a new line of Sponsorship. You must complete and submit a Voluntary Termination Notice (MOD USA1806001/CAN1806001), and submit a new Application and Agreement. Associates who wish to rejoin under these circumstances are eligible to join in a new position. Position transfers are subject to the Company's approval which may be withheld at any time.
- 4.4.6 You are not permitted to persuade or attempt to persuade any other Associate to terminate their enrollment with the Company in order to join your downline or use any unfair tactic or undue action to obtain any consent (see 4.2.1).
- 4.4.7 The Company reserves the right to assume any inactive or terminated position and transfer the position to another party at face value.
- Member Positions**
- 4.4.8 The Company will change a Member's Sponsor at any time prior to the first order of product. Once the Member has ordered product, the position is locked in place and will not be moved unless there is a Company error.
- 4.4.9 Associates may request a Sponsor change for a Member pursuant to the Sponsor Change Request Form (MOD USA1807201 and CAN1807211).
- 4.5 Sale or Transfer of Associate Position**
- 4.5.1 You ("Transferor") cannot sell, assign or otherwise transfer the rights of your Associate position to any other person, firm or body corporate ("Transferee") without the express consent of the Company, which may be delayed or denied in the sole discretion of the Company and without a statement of reason(s). The Company reserves the right to prohibit or impose various terms and conditions, at its sole discretion respecting any proposed sale, assignment or transfer of an Associate position. The Company cannot authorize the sale or transfer of a position from one Country of Operation to another. The position will always remain in the Country of Operation in which it originated.
- 4.5.2 In order to receive such permission, the Transferor must be an Associate in good standing as determined by the Company, satisfy any outstanding debt obligations with the Company, and not be under any Compliance inquiry or sanction.
- 4.5.3 The Transferor must sign a Position Transfer Request authorizing the sale or transfer of their position. Additional information regarding the possible sale or transfer of an Associate position is available on Mannatech Online Document USA1805601 and CAN1805611.
- 4.5.4 The new owner is subject to all Associate Policies and Procedures and terms and conditions. The position is available for a transfer at any level shown on the face of the Associate Application and Agreement. All sale or transfers require that a Position Transfer and Associate Application and Agreement be signed by the Transferee and accepted by the Company. All signatures are subject to verification for authenticity.
- 4.5.5 Terminated positions are eligible for sale or transfer if the position has remained terminated (and/or inactive) for six (6) full Business Periods. Positions terminated for disciplinary reasons are only eligible for sale or transfer once the six (6) full Business Periods have expired, and there is no litigation or possible litigation pending concerning the disciplinary actions taken by the Company.
- 4.5.6 Position Transfers for Associates who have voluntarily terminated and/or inactive positions as stated in 4.5.5 are strictly monitored for compliance with other policies as stated herein. The Company will deny position transfers at its sole discretion should it determine that the transaction will violate the Associate Policies and Procedures and/or the spirit of the policy for which they are intended. Associates using Position Transfers to violate policy may be subject to the Associate Disciplinary Procedure.
- 4.5.7 Members are not eligible for a Position Transfer into other existing Member positions in a downline organization. Members wishing to become Associates can sign up as a new Associate, but cannot position transfer into an existing Member position (See MOD USA 1807801 and CAN 1807811).
- 4.5.8 Account balances from previous owners will not be carried forward on Position Transfers.
- 4.6 Inheritance of Associate Positions**
- 4.6.1 Upon the death of an Associate, all rights to the Associate's position, including rights to commissions, bonuses and Associate responsibilities, shall pass to successors as stated in the Associate's will or as otherwise ordered by a court of competent jurisdiction. In the event the Associate had no will, the rights to commissions, bonuses and Associate responsibilities will be transferred according to the intestacy laws of the jurisdiction of the decedent's estate as provided by a valid court order. In order to receive transfer, the inheriting party(ies) must provide a certified copy of the Associate's death certificate or any other documentation required by the Company to evidence the true successor (including but not limited to a court order, copy of the Will, Letters Testamentary in the event there is a Will and/or Letters of Administration in the event there is no Will).
- 4.6.2 The heir(s) must fulfill all responsibilities of the Associate position and must sign the then-current version of the

Associate Application and Agreement. The heir may inherit and retain another Associate position even though the heir(s) already operates an existing position.

4.7 Multiple Positions

- 4.7.1 You and your spouse may have an independent position and a third position as a sole proprietorship, corporation, partnership or trust. All of these positions must be in the same downline organization of the first position owned.
- 4.7.2 If a married couple divorces, the Company will abide by a final order of a court of competent jurisdiction concerning the division and award of property interests and rights to each party. The concerned party must supply any documentation required by the Company to support such a division.
- 4.7.3 The Company will not process any changes to an account during a pending divorce proceeding unless it receives written consent from both the husband and wife.
- 4.7.4 The Company reserves the right to intervene in any divorce proceeding and deposit commission checks with the applicable court of competent jurisdiction in the event of a dispute between the spouses as to earnings.
- 4.7.5 A single individual may hold two positions. One position may be an independent position and a second position may be a sole proprietorship, corporation, partnership or trust. All of these positions must be in the same downline organization of the first position owned.

4.8 Cross-Sponsoring of Spouses/ Household Members

- 4.8.1 You may not circumvent your original line of sponsorship by joining another downline organization or a different leg of your sponsor by sponsoring yourself, your spouse, dependent children, a household member ("related party") or any business or company operating under a business name (DBA) in which you and/or a related party have a direct or indirect ownership interest. Husband, wife, DBA household members, partners and/or dependent children must all be in the same downline underneath the first position owned. It is permissible to be in separate legs provided they are under the first position owned.
- 4.8.2 Violations of this Policy will result in the termination of the cross-sponsored account, and you will be instructed to work exclusively in the original position. Neither the cross-sponsored position nor the downline organization

will be moved. If the Sponsor or Enroller is found to have knowingly or willingly encouraged the cross-sponsoring, the Sponsor/Enroller will be subject to further disciplinary action in accordance with the Compliance Disciplinary Procedure.

- 4.8.3 You may not participate as a partner, consultant or employee of another Associate position until after six full business periods in the event this policy is violated.

4.9 Recruiting Associates into Other Companies

- 4.9.1 Attempting to sponsor or recruit Associates other than those you have personally enrolled into any other program or selling other products unrelated to the Company to Associates is strictly prohibited.
- 4.9.2 For a period of one (1) year following termination of the Agreement, you shall not attempt to recruit any Associates other than those whom you personally enrolled on behalf of any other multi-level marketing or direct-selling organization. You shall not directly or indirectly contract, solicit, entice, sponsor, accept or promote Company Associates into other opportunities or marketing programs of another company.

4.10 Renewals Associates

- 4.10.1 You will retain your status for a period of one year coinciding with your anniversary date. Associates and Members will have no renewal requirements, although will participate in the Company Retention Program which automatically deducts 45% of APO from their Product order(s) placed on or after the completion of one year from their enrollment date. Non-renewal of All-Star Associate status will result in the status being downgraded to the Preferred level when placing an order(s) on or after the fourteenth Business Period since his or her last renewal, if no accompanying All-Star Renewal Pack or equivalent PMPV is received.
- 4.10.2 If the position is not renewed, and no products have been ordered under the position for six (6) full Business Periods, the Enroller may transfer the position to another individual in accordance with the transfer policy.
- 4.10.3 Associates are prohibited from renewing positions without the effective consent of the person or entity owning the position.

Members

- 4.10.4 There are no renewal requirements or Member positions.

4.11 Downline Reports

Requests for downline reports (MOD USA1802601/CAN1802611) must be submitted on the appropriate form obtained from the Company and via Success Tracker. You may only request downline reports for your own downline organization. Downline reports are the confidential, proprietary property of the Company, and they are furnished to you only to provide information for your Company business and for no other reason. The information contained in a downline report is proprietary and valuable to the Company and must be kept confidential and not directly or indirectly disseminated or copied to any third-party or to other Associates and is subject to Policy 4.12.

4.12 Confidential Proprietary Company Information/Reports Provided to Associates

The Company's genealogies (being the information held by the Company related to its Associates, including without limitation its relationship with each of its Associates, the sponsoring of each Associate, the Associate's upline and downline, charts, data reports and other material, and historical purchasing information for each Associate) (collectively, "Confidential Information") are owned by the Company, are highly sensitive and valuable to the Company's business and are transmitted to you in strictest confidence. The Company's legitimate business interests require the non-disclosure thereof to (among other things) the Company's competitors. In the event the Company shall disclose details of any of its genealogies to you during the term of the Agreement:

- 4.12.1 You shall, at all times and without limit in time, treat such details as Confidential Information in the nature of a trade secret and shall not disclose such details to any other person (including any company or person in competition with the Company). You shall take all reasonable steps to protect and maintain the security of the information and shall use the details solely for the benefit of the business of the Company and for the stated purpose for which they were provided.

- 4.12.2 You shall not release, sell, reproduce for sale or in any way distribute confidential information to any other Associate, individual or any other party unrelated to the Company.
- 4.12.3 You shall not during the term of the Agreement or for a period of one (1) year thereafter take or encourage any action which would circumvent, breach, interfere with or diminish the value of benefit of the Company's genealogies.
- 4.12.4 You shall only use the Confidential Information for your Mannatech business.
- 4.12.5 The Company shall suffer irreparable harm in the event its confidential and proprietary information is disseminated in a manner in contravention of its interest. The Company reserves the right to seek injunctive relief or any other remedy available at law to protect its Confidential Information.
- 4.12.6 The Company will suspend your access to its Confidential Information during any Associate Disciplinary proceeding, and thereafter.

4.13 Business Periods

- 4.13.1 Business Periods end every 28 days on Friday. (Business Period Calendar MOD USA1992001/ CAN1992011)
- 4.13.2 Commissions of less than \$5.00 will be carried to the next pay period. All commissions are paid in U.S. dollars.
- 4.13.3 Commissions paid on Member purchases will be paid on the product check issued two weeks after the end of the Business Period.
- 4.13.4 Commissions earned amounting to less than \$5.00 in a calendar year will be forfeited after one year.
- 4.13.5 No commissions, bonuses, and/or incentives will be paid until the Company receives the signed application, or, when registering electronically, the e-signature of the Associate accepting the Terms and Conditions.
- 4.13.6 The preferred method of payment of commissions is via direct deposit which can be applied for online or by submitting MOD USA 1800701/ CAN 1800711.

4.14 Income Taxes

You are an independent contractor. The Company does not deduct personal taxes from your commission checks. At the end of each calendar year,

the Company will provide you and your appropriate taxing authorities with all income information required by law.

4.15 Commission Research Requests

- 4.15.1 All commission research inquiries must be submitted in writing to the Company within 45 days of the check in question.
- 4.15.2 Claims for errors in commission payments and requests for recalculation of commissions due to an Associate error must be submitted in writing and must include (i) a written approval from the upline Associate who received the income in error (ii) an approval from the upline for the Company to recalculate the commissions and (iii) the upline Associate's authorization for the Company to deduct the full amount from the respective upline's next commission. The Company is not responsible for recalculating commissions for Independent Associates who do not follow all the steps outlined above.
- 4.15.3 Only Company errors will be recalculated without written authorization from the upline.
- 4.15.4 The Company reserves the right to withhold any money owed by you to the Company from future commission payments, including but not limited to, any erroneous or other overpayment of commissions, including commissions paid on returned or refunded products or packs, or money owed to the Company or to other Associates.

5 Operations, Ordering, Product Returns, Refunds and Shipping

5.1 Ordering Options

- 5.1.1 Telephone orders will be accepted with credit card payment or checks. Call the Company at (800) 281-4469 to order. Do not mail the hardcopy of the order to the Company when ordering by telephone.
- 5.1.2 To order by e-commerce, enter the order via the Mannatech web site at www.mannatech.com. Payment option is credit card only.
- 5.1.3 To order by fax, fax the completed Product Order Form, including credit card information or a completed Check

Via Fax Authorization Form, to (800) 267-2722. Do not mail the hardcopy of order to the Company.

- 5.1.4 To order by mail, send a completed Product Order Form with credit card information, check (U.S. only), cashier's check or money order in U.S. funds to: Mannatech Incorporated, 600 S. Royal Lane, Suite 200, Coppell, TX, 75019.

5.2 Mail Orders

All product orders received by mail that are not properly completed and signed will be returned to the Associate. Orders with no payment or incomplete payment enclosed cannot be processed. Unless the Company otherwise announces special arrangements, the bonus value of the order will be credited in the Business Period in which the payment is received and approved. If more than one completed order form is included in a mailing, one check for multiple orders is possible.

5.3 Discount Automatic Orders Independent Associates

- 5.3.1 You can receive a 10% discount from the Associate cost of products by participating in the Automatic Order Program. Actual Pay Out (APO) is discounted accordingly on all automatic orders. You may participate in the program upon enrollment as an Associate. Simply complete the Automatic Order Form (MOD USA1801601/ CAN1801611) or place the order by phone at (800) 281-4469 and identify the products to be automatically sent to you each four-week period. The Company will automatically debit your credit card or other payment option for the amount of the product order, applicable taxes and shipping/handling charge until you notify the Company with instructions to discontinue the Automatic Order (AO). You must provide an updated expiration date for your debit or credit card to continue to receive automatic orders.
- 5.3.2 Once initiated, the AO will remain in effect until terminated by you in writing or by calling (800) 281-4469.
- 5.3.3 You may make changes to the AO order via the Internet.
- 5.3.4 AOs are processed earlier than the scheduled date during the last week of the business period and during holiday weeks. Early processing ensures timely qualifications

and deliveries. To avoid delays, all automatic orders must be created or modified prior to Wednesday during business period close and holiday weeks. Orders created or modified later than Wednesday will not generate until the following week.

5.3.5 The Company must receive any changes or terminations for the AO in writing, by phone or online, five (5) days prior to the AO generation date, or the changes/termination may not take effect until the following Business Period.

5.3.6 Participation in the program is optional and may be canceled at any time.

Member Program

5.3.7 Members' Automatic Orders do not pay a 5% Bonus to the upline.

5.3.8 Members receive an additional 10% discount from the Member Price (approximately 5% less than the Suggested Retail Price) when participating in the Automatic Monthly Order (AMO) program.

5.3.9 Members may change their automatic order at any time without losing their discount.

5.3.10 Members will have their credit/debit card charged once each month (12 months) instead of every 13 Business Periods.

5.4 Canadian Orders/Registration

Product ordering procedures may vary for Canadian orders. Please see the Canadian Associate Application and Canadian Product Order forms for details. All purchasing of products for Canadian orders must be made in U.S. dollars. Not For Resale (NFR) orders are not to be resold to another Canadian Associate or a retail customer. Canadian NFR product orders are final and cannot be exchanged. Any Associate found reselling a NFR order will be subject to disciplinary action. You may be required to obtain a direct seller's license depending upon the province in which you reside. Contact your local government office for more information.

5.5 Payment Options

5.5.1 All payment for products and materials must be in U.S. funds. Acceptable methods of payment include cash for

storefront orders only, personal checks (drawn on U.S. banks or Canadian banks in U.S. funds only), Company-accepted credit cards/debit cards, and the following which must be payable in U.S. funds: cashier's checks, certified checks and money orders. Do not mail cash. The Company does not accept COD (cash on delivery) orders.

5.5.2 **Personal Checks**—U.S. funds only to be accepted by the Company. An Associate's check must be imprinted with their name and address. A service charge will be added to the collection total of any check returned to the Company. The Company can accept checks or money orders payable in U.S. dollars only.

5.6 Returned Checks

All checks refused for payment for any reason by the payor bank will incur a \$25 charge, and the Company reserves the right to refuse to accept personal checks in the future. All monies owed to the Company as a result of returned checks or insufficient funds will be withheld from subsequent commissions or bonus checks.

5.7 Credit Cards

Products and promotional materials can be purchased with Company-accepted credit cards. The credit card holder must sign all credit card orders/payments received via mail or fax (including automatic orders and changes). Associates may only use credit cards belonging to them, or for which they are authorized users. Associates who are found to process orders without the consent of the cardholder are in violation of federal and state laws and will be subject to immediate termination. Any Associate causing an unwarranted charge back to the Company due to an unauthorized transaction will be subject to immediate termination. Credit card disputes must be presented to the Company in writing within one year from the date of transaction.

5.8 Sales Tax Independent Associate

5.8.1 U.S. Associate(s) will pay sales tax based on the suggested retail price of the product. Canadian Associate(s) will pay GST tax based on the Associate cost, less any applicable discount for Automatic Order.

5.8.2 The "Amount Due" on an Associate's Product Order Form is inclusive of sales tax where applicable.

5.8.3 In order to eliminate the charging of sales taxes on product orders in the U.S., you must provide a valid resale tax certificate from the state of your residence or business address.

Member

5.8.4 Member(s) will pay sales tax based on the Member price, less any applicable discounts for Automatic Order.

5.8.5 Resale certificates will not be accepted from Members since product purchases are for personal consumption only.

5.9 Purchase for Own Use (Inventory Requirements)

You have no inventory requirements.

5.10 Stockpiling Product

5.10.1 Mannatech's Career and Compensation Plan is based on retail product sales. You are not required to carry an inventory of product for retail sale. Stockpiling is the excessive ordering of products in amounts solely for the purpose of qualifying for commissions, bonuses or advancement in the Career & Compensation Plan. You should order only enough products for a four-week period to reasonably fill your needs and/or retail customer orders. Stockpiling is a manipulation of the Career & Compensation Plan and unfairly leads to one Associate's gain and another's loss.

5.10.2 Any Associate requesting a refund on stockpiled product may be refunded per the 70% Rule (see Policy 5.11) at the Company's discretion and is subject to disciplinary action and/or termination if the Associate is found to be violating the 70% Rule.

5.11 The 70% Rule

5.11.1 **Product Sales:** The Company Marketing and Career & Compensation Plan is based upon the sale of Mannatech products and services to end-consumers. You must fulfill personal and downline organization retail sales requirements (as well as meet other responsibilities set forth in the Agreement) to be eligible for bonuses, commissions and advancement to higher levels of achievement.

5.11.2 The following sales requirements must be satisfied for you to be eligible for commissions:

- You must satisfy the Personal Point Volume (PPV) requirements to maintain your status as specified in the Mannatech Marketing and Career & Compensation Plan. "Personal Point Volume" will include your own purchases.
- A minimum of seventy percent (70%) of your personal order must be used by you or sold to your personal retail Customers prior to ordering additional products.
- You must develop or service customers as stated in the Company Career & Compensation Plan every Business Period. These customers can be Personal Retail Customers, Automatic Product Order Customers, Preferred Customers or any combination of the three.

5.12 Replacement of Defective Product

The company will replace any defective product with the same or similar goods within 180 days of purchase. However, no product(s) should be returned to the Company without prior approval. To assure that replacement of product will be issued, you must comply by following the return procedures found in 5.13.1.

5.13 Satisfaction Guarantee

Mannatech stands behind the quality of its products and your satisfaction. If for any reason you try our product and are not completely satisfied, you may return it within 180 days of purchase for an exchange or refund of the product price and applicable tax.

5.13.1 Associate and Member Return Procedures

To return used product for a refund you must:

- 5.13.1.1 Contact Customer Care to obtain a Return Authorization Request Form. Unauthorized returns will not be accepted and the contents may be destroyed.
- 5.13.1.2 Complete a Return Authorization Request Form.
- 5.13.1.3 Comply with instructions found on the Return Authorization Request Form.
- 5.13.1.4 Enclose bottles (empty or unused portions) in the package.
- 5.13.1.5 You are responsible for return shipping costs, any insurance, and tracing your return shipment package should it become necessary.

- 5.13.1.6 Associates who return sign up packs or whose product returns exceed \$1,000 will be deemed by Mannatech to have voluntarily Terminated.

5.13.2 Retail Customer Return Procedures

To return used products for a refund you must:

- 5.13.2.1 If purchased directly from the Company, Mannatech will process the return directly on behalf of the Associate. Follow the procedures found in 5.13.1.
- 5.13.2.2 If purchased from an Associate, the Associate is obligated to honor Mannatech's Satisfaction Guarantee (see 2.21.8). Upon receipt of the products and proof of refund to the Customer, the Associate may return used Product to Mannatech for refund or exchange following the procedures found in 5.13.1.

5.13.3 Product Exchanges

- 5.13.3.1 The Company will exchange for equal value any product that is returned in marketable condition purchased within twelve (12) months of the purchase date.
- 5.13.3.2 Contact Customer Service to obtain a Return Merchandise Authorization following the procedures found in 5.13.1.
- 5.13.3.3 All exchanges will be done on a one-for-one, equal value basis. Opened or dirty bottles will not be exchanged or returned to you. The Company will only exchange unused promotional materials within thirty (30) days of purchase.
- 5.13.3.4 The Company will pay for the return postage for the product going back to the customer.
- 5.13.3.5 There is no additional Actual Pay Out (APO) or Personal Point Volume (PPV) on exchanged orders.
- 5.13.3.6 Returned product has no cash value and will not be credited to your Mannatech account.

5.13.4 Refunds to Independent Associates & Voluntary Termination

Associates may request a refund on all unused products at the time the Voluntary Termination Form is submitted in writing to the Company. The Company will repurchase any unopened, restockable product, and any up-to-date Corporate literature that is in good, usable

condition (collectively, "marketable inventory") subject to a 10% restocking fee. For the purpose of this Policy, Marketable Inventory shall be limited to that inventory returned no later than twelve (12) months after the original purchase date.

5.13.5 Commissions on Refunded Products

Any returned products or packs for refund that entitles any Associate to qualify for incentives and/or commissions may result, at Company discretion, in loss of incentive qualification and any commissions earned. If applicable, the Company will deduct commissions paid for refunded products or packs from either the refund amount owed or from future commission checks.

5.14 Shipping

- 5.14.1 Mannatech makes every effort to ship your order within 24 hours of receipt, excluding weekends and holidays. Heavier volumes such as incentives or other events may increase this period to 72 hours.
- 5.14.2 Please review the products contained within the package for accuracy. Please review the packing slip against your order and any items that may be backordered. Backordered items will be mailed separately, at no additional cost, as soon as they arrive at the warehouse. Please report all incomplete or inaccurate shipments within seven (7) days.
- 5.14.3 In the event your order does not arrive within ten (10) business days, contact Customer Services. Please provide information related to your Account, Order and Shipment.
- 5.14.4 Please inspect the package upon arrival for any damage and report the damage to Mannatech within seven (7) days.

6 Laws, Regulations and Disciplinary Procedures

6.1 Amendments to Policies & Procedures

The Company specifically reserves the right to make any changes it deems necessary to any of the Policies & Procedures and Career & Compensation Plan (pricing and/or business feature) upon written or printed notice to Associates on Mannatech Online Documents and/or in other

printed materials. Any revisions to the Policies & Procedures and Career & Compensation Plan shall become binding for all Associates upon the publication of such revisions on Mannatech Online Documents or as officially announced in any Company communication.

6.2 Removal of Policies and Procedures

If any provision of the Associate Agreement and Policies & Procedures are found to be invalid, illegal or unenforceable, the Company may amend or delete that provision. The amendment or deletion of any clause or provision will not affect the remaining clauses and provisions, which will continue in full effect.

6.3 Assignment

Nothing herein shall prevent the Company from assigning its rights and obligations to its Associates to any person, firm or corporation.

6.4 Governmental Laws

- 6.4.1 You may not represent that the Company or any of its products have been approved or endorsed by any governmental agency.
- 6.4.2 If you are found to have violated federal, state or provincial law or the regulatory provision of any jurisdiction in the course of conducting your Mannatech business, offering the Company business plan, and/or engaging in the sale of any Company products, you will be subject to disciplinary action, up to and including the immediate termination of your Agreement.
- 6.4.3 You may not attempt to utilize public or private schools, teachers, instructors and/or administrators in any capacity related to product promotional endeavors due to various state prohibitions related to the same, except in their private capacities or as allowed by local applicable law. There may be state and/or local provisions against the use of public or private schools, teachers, instructors and/or administrators in any capacity related to product promotional endeavors. You are required to familiarize yourself with such provisions and comply with same in the course of promoting and conducting your Mannatech business.

- 6.4.4 Any Associate who is convicted of or pleads guilty to a criminal act that is in any way related to or occurred in the course of their Mannatech business is subject to disciplinary action, up to and including immediate termination.
- 6.4.5 For the purposes of these Policies & Procedures, whether an Independent Associate was engaged in conducting Mannatech business, offering the Company business plan, or engaged in the sale of any Company products shall be determined by the Company in its sole discretion.

6.5 Contacts with Government Regulators

You may not contact any government regulators (e.g. FDA, FTC, various State Departments of Health, and/or Health Canada) on behalf of the Company. You may not represent the Company if contacted by government regulators. If you are contacted by a government regulator, you should contact the Legal or Regulatory Affairs Department of the Company at 972.471.7400.

6.6 Military Personnel

Any person desiring Independent Associate status who is also active in the United States Army must comply with Policy Memorandum 97-11 Department of the Army. The policy prohibits outside employment, including multilevel marketing, of persons actively serving in the United States Army without first obtaining approval from the appropriate individual in command prior to engaging in such outside employment.

6.7 Residents of Georgia, Louisiana and Montana

- 6.7.1 An Associate in this multilevel marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the Company at its principal business address. An official "Termination of Agreement" must be obtained, completed and returned to the Company at its principal business address in Coppell, Texas.
- 6.7.2 If the resigning Associate has purchased products or paid for administrative services while this Agreement was in effect, the Company shall repurchase all unnumbered products in reasonably resellable or reusable

condition which were acquired by the Associate from the Company. Such repurchase shall be at a price not less than 90% of the original net cost to the Associate returning the goods, taking into account any sales made by or through such Associate prior to notification to the Company of the election to cancel.

- 6.7.3 The repayment of all administrative fees or services shall not be less than 90% of the costs to the Associate of such fees or services and shall reflect all administrative services that have not, at the time of termination, been provided to the Associate. The Company shall further refund, at no less than 90% of the cost to the Associate, any other consideration paid by the Associate in order to participate in the program.
- 6.7.4 The Associate will be held responsible for all shipping expenses incurred in returning sales aids or products to the Company.
- 6.7.5 The Associate Application & Agreement is governed by and construed in accordance with the laws in the State of Texas, unless the laws of the state in which an Associate resides expressly require the application of its laws. Except as set forth in the Company Policies & Procedures, or unless the laws of the state in which the Associate resides expressly prohibit the consensual jurisdiction and venue provisions of this Agreement, in which case its laws shall govern.
- 6.7.6 **Montana Residents:** A Montana resident may cancel his or her Distributor pack within 15 days from the date of enrollment, and may return his or her Product Pack for a full refund within such time period.

6.8 Requirement for Regulatory Training

The Company from time to time may offer seminars in connection with regulatory training at Corporate-sponsored events. Associates are encouraged to participate in such training prior to and during the course of their Company business.

6.9 Monitoring of Meetings

The Company may conduct anonymous and random monitoring of Associate meetings and/or conference calls and may record the meetings notwithstanding any admonitions to the contrary. You must follow regulatory guidelines and adhere to the Associate Policies & Procedures when

conducting or hosting educational or opportunity meetings.

6.10 Reporting Violations

Our products are regulated by the government, and the way we promote our products is governed by federal law. The Company is committed to complying with all legal requirements. It is essential for all Associates to comply as well. We all depend on one another. The non-compliance of one may result in problems for everyone else. Accordingly, to enable the Company to ensure that its operations at every level comply with legal requirements, you are requested to report any violations of Company Policies & Procedures that come to your attention at www.ethicspoint.com or via telephone (US & Canada) by calling 866-292-4946.

6.11 Resolution of Disputes

You should attempt to resolve any grievance or complaint against another Associate by first seeking resolution with advice from your upline.

6.12 Disciplinary Procedure

- 6.12.1 Allegations of a violation of a Policy (hereinafter referred to as "Issue") may be brought against an Associate of the Company by any of the following as an "Initiator" of the procedure: an employee of the Company, an Associate of the Company, and/or any third person who has been affected by the conduct of an Associate. The Initiator will begin the process by completing the Compliance Complaint Form 1 ("F1"). The Issue may be reported via the web at www.ethicspoint.com or via telephone (US & Canada) by calling 866-292-4946. Notice that a F1 complaint has been filed will be communicated to the Respondent's first upline Presidential and to the Respondent's upline Platinum Presidential.
- 6.12.2 An "Issue" must be instituted within six (6) months of its occurrence, unless good cause is shown for the delay.
- 6.12.3 All references in these Policies & Procedures to the "Director of Compliance" shall refer to the officer or employee holding that title or their designee.
- 6.12.4 The Director of Compliance may determine from the face of the F1, or other evidence pertaining to the

allegation, that it does not constitute a violation of any Policy of the Company. The Initiator will be sent a reply to this effect, and no other process shall ensue.

- 6.12.5 The Director of Compliance may determine that the allegations can be substantiated and do not warrant an investigation, in which case a Warning notice will be sent to the violating Associate directing them to cease the current activity. The Warning will include an agreement that the Associate must sign and return within the allotted time, and no other process shall ensue.
- 6.12.6 If the allegations warrant an investigation, a Response Form 2 ("F2"), will be forwarded to the Associate "Respondent" who has allegedly violated the Policy set forth in the Complaint. The F2 is designed to allow the Respondent to provide details of the "Issue," and to clarify the facts for the Compliance Department. Upon receipt, the Director of Compliance will make a determination as to whether a policy violation has occurred and, if so, will be scheduled for Compliance Committee review. If the allegations cannot be substantiated due to insufficient evidence, or it is determined that there is no policy violation, all parties will receive a "No Violation" letter to this effect.
- 6.12.7 A Respondent must complete and return the Form 2 (Respondent's Response to Complaint) within ten (10) business days of receipt of a request to do so by the Director of Compliance (or designee). It is presumed that you received the request to fill out a Form 2 no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.12.8 The Compliance Committee (the "Committee") shall be comprised of no less than three department heads selected at the sole discretion of the Director of Compliance. The following individuals may not serve on the Committee: the CEO, a current member of the Board of Directors, or the heads of Legal & Compliance, Marketing or Sales. Additionally, an individual may not serve on the Committee if to do so would be a conflict of interest.
- 6.12.9 The Initiator shall bear the greater burden of proof. The Complainant and Respondent are responsible for ensuring the Company receives witness statements on his or her behalf.

- 6.12.10 The Initiator must notify the Company in writing in the event he or she wishes to withdraw a complaint.
- 6.12.11 The Initiator and Respondent will each be afforded a reasonable amount of time at the meeting by teleconference to present their respective positions to the Committee. The Initiator and Respondent must supply the Director of Compliance with the correct telephone number at which they may be reached at the scheduled time, or a written acceptance or waiver of his or her desire to orally present a position.
- 6.12.12 The Committee shall only consider written statements and oral position presentations as to the alleged infraction. The decision of the Committee as to the validation and/or disciplinary action imposed (if any) shall be determined by a confidential majority vote.
- 6.12.13 Except as set forth in 6.12.14 below, the Committee may impose any one or a combination of the following sanctions:
 - 6.12.13.1 A Written Warning clarifying the meaning and application of a specific Policy or Procedure and advising that a continued breach will result in further sanctions.
 - 6.12.13.2 Probation, which may include requiring an Associate to take remedial action and could include follow-up monitoring by the Company to ensure compliance with the Agreement.
 - 6.12.13.3 Suspension of certain Associate privileges, including but not limited to placing product orders, participating in Company programs, progressing in the Career & Compensation Plan, or participating as a sponsor (including participating as an International Sponsor) for a period of time or until the Associate satisfies certain specified conditions.
 - 6.12.13.4 Withdrawal or denial of an award or recognition, or restricting participation in Company-sponsored events, either for a specified period of time or until you satisfy certain specified conditions.
 - 6.12.13.5 Withholding commissions or bonuses for a specified period of time, or until you have satisfied certain specified conditions.

- 6.12.13.6 Imposing fines or other penalties permitted by law.
- 6.12.13.7 Termination of your Associate Agreement.
- 6.12.14 In cases where it is determined by the Compliance Committee that the Independent Associate has made a claim that Company products cure, treat, mitigate or prevent a specific disease (a "Disease Claim Violation"), the Compliance Committee shall make a specific finding whether the Disease Claim Violation was isolated and trivial.
 - 6.12.14.1 If the Disease Claim Violation is found to be isolated and trivial, the Compliance Committee shall impose sanctions set forth in 6.12.13 sufficient to make the Independent Associate aware of the severity of the infraction and to insure future compliance with the policies concerning disease claims.
 - 6.12.14.2 Unless the Disease Claim Violation is found to be isolated and trivial, the Compliance Committee shall impose the sanction of termination, mandate a minimum 2-year waiting period before the Independent Associate can apply for reinstatement, and enter an order that the terminated Associate permanently lose his/her downline and the right to any compensation from that downline.
- 6.12.15 The Committee shall render its decision in a Disposition Notice. The Director of Compliance shall send the Initiator and Respondent the Disposition Notice within three (3) business days of its rendition.

6.13 Disciplinary Appeal Procedure

- 6.13.1 If you have been the subject of disciplinary action (either the Initiator or Respondent), you may appeal the determination of the Compliance Committee contained in the Disposition Notice by submitting to the General Counsel of the Company an appeal in writing outlining your reasoning as to why the disciplinary action is inappropriate and/or any new evidence not available for Committee review. The Appeal must be received by the 30th calendar day after you have received the Disposition Notice informing you of the disciplinary action (the "Appeal Period"). It is presumed that you received the

- Disposition Notice no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.13.2 All Committee sanctions and recommendations are effective immediately upon receipt of the Disposition Notice.
- 6.13.3 The appeal will be considered by a three (3) member subcommittee consisting of Vice-Presidential level or above, none of whom were involved in the original Compliance Committee review process (the "Appeal Panel"). The Appeal Panel may not consist of any of the following individuals: the CEO, a current member of the Board of Directors, or the heads of Legal & Compliance, Marketing, or Sales. Additionally, an individual may not serve on the Appeal Panel if to do so would be a conflict of interest. On the confidential vote of the majority, the Appeal Panel may uphold the Compliance Committee decision, refer the Issue back to the Compliance Committee, reverse the decision at its sole discretion, or substitute a new finding based upon the evidence.
- 6.13.4 The decision of the Appeal Panel shall be reduced to writing, and shall be sent to the Initiator and Respondent by the Director of Compliance within three (3) business days of its rendition. It is presumed that you received the Decision of the Appeal Panel no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.13.5 Should the decision of the Appeal Panel deviate from the Compliance Committee's Disposition Notice, the Company shall undertake such action as is required to conform to the decision of the Appeal Panel.
- 6.13.6 The decision of the Appeal Panel is final, and is not subject to further review.

6.14 Termination of the Agreement by the Company

- 6.14.1 In the event the Company terminates your agreement, the Company will notify you by recorded delivery mail at your address on file with the Company.
- 6.14.2 The termination of an Independent Associate is effective immediately upon receipt of the Disposition Notice via recorded delivery to your last known address or when you receive the actual notice, whichever comes first. It is presumed that you received the Disposition Notice no later than three (3) business days after it was sent

- by the Company (seven [7] business days if it was sent internationally).
- 6.14.3 In the event of termination, you must immediately cease representing yourself as an Independent Associate.
- 6.14.4 In the event of termination arising from a Compliance Committee Disposition Notice, decision of the Appeal Panel, or other action initiated by the Company, the Company reserves the right to initiate disciplinary action, up to and including the termination of any other household position, assumed name or DBA, corporation, partnership, trust, or any other affiliated positions in which the Independent Associate has a vested interest.
- 6.14.5 Subject to Company review of all potential claims, once a position is terminated all commissions and/or bonuses otherwise entitled to the terminated position will roll up to the next qualified position.
- 6.14.6 The Company reserves the right to terminate an inactive position. An "inactive position" is defined as one that is past its renewal date and having no activity for six (6) full consecutive business periods.

6.15 Effect of Termination

- 6.15.1 Upon termination, whether voluntary or Company-initiated, you shall have no right, title, claim or compensation derived from the sales of products in your downline organization or any future bonuses and/or commissions from sales generated by the organization. You:
 - 6.15.1.1 Shall not refer to yourself as a Mannatech Independent Associate.
 - 6.15.1.2 Shall not have the right to sell the Company's products.
 - 6.15.1.3 Must discontinue using any materials bearing any Company logo, trademark or service mark.
 - 6.15.1.4 Shall not continue to communicate with the Company except as required to perfect and pursue an appeal of the termination or to request reinstatement pursuant to 6.18 of these Policies and Procedures.
 - 6.15.1.5 Shall not work for, work with, or otherwise assist or be utilized in any capacity by Mannatech Independent Associates in the operation of their business. This includes, but is not limited to, performing any functions in sales, support, promotion, or in conducting

meetings of any nature related to Mannatech business.

- 6.15.2 If you are terminated for a Disease Claim Violation pursuant to 6.12.14.2, you permanently lose your downline, the right to any compensation from that downline, and must wait a minimum of two years before you may apply for reinstatement.

6.16 Sanctions

The Policies & Procedures are incorporated into the Associate Application and Agreement and constitutes an integral part of the parties' agreement regarding their business relationship. Associates who conduct business in violation of these Policies & Procedures jeopardize the integrity and credibility of the Company. Where the actions of an Associate are deemed egregious by the Company, the Company reserves the right to assess disciplinary sanctions, up to and including termination of Associate status. A termination under these circumstances is effective immediately upon notification by the Company. It is presumed that you received the notice of termination no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).

6.17 Reinstatement after Termination by Company

- 6.17.1 Except for Independent Associates terminated for Disease Claim Violations, an Independent Associate (individual, entity, or otherwise) terminated by the Company (the "Terminated Associate") may not seek reinstatement as a Mannatech Independent Associate until the expiration of 365 days after the effective date of termination.
- 6.17.1.1 Independent Associates terminated for Disease Claim Violations pursuant to 6.12.14.2 may not seek reinstatement until the expiration of two full years (730 days) after the effective date of termination.
- 6.17.2 The Terminated Associate shall submit a written request for reinstatement to the General Counsel of the Company. The request should outline the reasons for reinstatement, and shall be accompanied by a fully executed Associate Application & Agreement (as set forth in 1.3.1 of these Policies & Procedures).
- 6.17.3 The request shall be considered by the Appeal Panel (as established in 6.13.3 of these Policies & Procedures). On the confidential vote of the majority, the Appeal Panel shall either approve or reject the request for reinstatement.

- 6.17.4 The decision of the Appeal Panel shall be reduced to writing, and shall be sent to the Terminated Associate by the Director of Compliance within three (3) business days of its rendition. It is presumed that you received the decision of the Appeal Panel no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.17.5 If the request for reinstatement is rejected, the Terminated Associate must wait an additional 365 days before making another request for reinstatement.
- 6.17.6 If the request for reinstatement is approved, the Terminated Associate becomes a new Independent Associate. The Terminated Associate does not return to the position held prior to termination.
- 6.17.6.1 If a Disease Claim Violation was involved, the reinstated Terminated Associate is precluded from reentering his previous downline.

6.18 Indemnification

You shall indemnify and hold harmless the Company against any claims, demands, liability or loss, or cost or expense, including but not limited to attorney's fees arising or alleged to arise out of your operations. Holding a Company account does not imply authority to act on behalf of or bind the Company contractually.

6.19 Arbitration and Governing Laws

The Associate Application & Agreement is governed by the laws of the State of Texas. You and the Company agree that any claim, dispute or other difference between the Independent Associate, its owners, officers, employees, agents and/or partners on the one hand, and the Company, its owners, officers, employees and/or agents on the other hand shall be resolved exclusively by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association, including those rules providing for emergency or extraordinary relief and judgment on the Award rendered by the arbitrator(s) may be entered in any court having competent jurisdiction thereof. Each Independent Associate and the Company hereby agree to exclusive venue and to personal jurisdiction in Dallas County, Texas, for the resolution of any claim, demand or cause of action between the Associate and the Company. You and the Company further agree that

the Company, in its sole discretion, reserves the right to invoke this section at any point in the disciplinary process of the Independent Associate.

WAIVER: THE COMPANY NEVER RELINQUISHES ITS RIGHT TO INSIST ON COMPLIANCE WITH THESE RULES OR WITH THE APPLICABLE LAWS GOVERNING THE CONDUCT OF A BUSINESS. THIS IS TRUE IN ALL CASES, BOTH SPECIFICALLY EXPRESSED AND IMPLIED. IN ADDITION, IF THE COMPANY GIVES PERMISSION FOR A BREACH OF THE RULES, FOR ANY REASON, AT ANY TIME, THAT PERMISSION DOES NOT EXTEND TO FUTURE BREACHES. THIS PROVISION DEALS WITH THE CONCEPT OF "WAIVER," AND THE PARTIES AGREE THAT THE COMPANY DOES NOT WAIVE ANY OF ITS RIGHTS UNDER ANY CIRCUMSTANCES SHORT OF THE WRITTEN CONFIRMATION ALLUDED TO ABOVE.

2009 Index to Updates and Changes to MOD1290101 U.S. Policies and Procedures

As of March 27, 2009

There are extensive changes to the following:

- 1.1 Member
- 1.2 Independent Associate
- 1.3 Associate Application and Agreement/Identification Numbers
- 1.6 Responsibilities to Your Downline Organization
- 1.7 Voluntary Termination from the Company
- 2.1 Advertising
- 2.3 Telephone Directory Advertising
- 2.6 Use of Company Name, Logo or Trademarks
- 2.7 Creation, Use and Discoloursure of Third-Party Materials
- 2.10 Presidential Training Web Sites
- 2.11 Registration of In-Person Meetings and Telephone Conferences
- 2.12 Use of Testimonials
- 2.14 Reserved for Future Expansion
- 2.15 Use and Registration of Internet Web Sites, Electronic Media and Company Trademarks
- 2.23 Misrepresenting the Company
- 2.24 Career & Compensation Plan and Income Earning Misrepresentations
- 2.25 Product Claims and Misrepresentations
- 2.26 Company Events
- 2.27 Compliance with OAG Settlement
- 3.1 How to Conduct Business Internationally
- 3.3 International Sponsoring
- 3.4 Country Relocation
- 4.3 Sponsor and Enroller Information
- 4.4 Changing Lines of Sponsorship
- 4.5 Sale or Transfer of Associate Position
- 4.10 Renewals
- 4.13 Business Periods
- 5.3 Discount Automatic Orders

- 5.4 Canadian Orders/Registration
- 5.5 Payment Options
- 5.8 Sales Tax
- 5.13 Satisfaction Guarantee
- 6.4 Governmental Laws
- 6.5 Contacts with Government Regulators
- 6.8 Requirement for Regulatory Training
- 6.9 Monitoring of Meetings
- 6.10 Reporting Violations
- 6.12 Disciplinary Procedure
- 6.13 Disciplinary Appeal Procedure
- 6.14 Termination of the Agreement by the Company
- 6.15 Effect of Termination
- 6.17 Reinstatement after Termination by Company

As of July 10, 2009

There are changes to the following:

- 1.1 Member
- 2.1 Advertising
- 2.6 Use of Company Name, Logo or Trademarks
- 2.15 Use and Registration of Internet Web Sites, Electronic Media and Company Trademarks
- 5.13 Satisfaction Guarantee

As of September 5, 2009

- 5.13 Satisfaction Guarantee

Glossary of Terms

Accelerated Leverage

Mannatech's combination of Team Bonus, Team Development Bonus and Power Bonus, which together can provide you with significant, faster income while you are building your business organization toward long-term income.

Actual Pay Out (APO)

The dollar value assigned to products on which commissions will be paid.

All-Star Associate (AS)

An Associate who achieves Premium/All-Star status by obtaining a set Personal Member Point Volume in one business period.

Aloe Vera

A succulent plant, aloe vera's beneficial properties are believed to be attributed to polysaccharides present in the inner gel of the leaf.

Ambrotose® Complex

Mannatech's flagship product is Ambrotose® complex, a blend of plant polysaccharides.

Amino Acid

A building block of proteins. There are only 20 amino acids; 10 are essential amino acids and must be obtained through the diet, and the remaining 10 are non-essential amino acids and can be made by the body.

Antioxidant

A substance which may protect the body from damage caused by the oxidative effects of free radicals. Dietary antioxidants include vitamins C and E.

Arabinogalactan

A soluble dietary fiber.

Associate

Any independent distributor who is eligible to participate in the Career and Compensation Plan and is governed by the Associate Policies and Procedures,

Career and Compensation Plan, and Associate Terms and Conditions as part of his or her agreement with Mannatech.

Associate Levels

Levels an individual may choose to enroll with Mannatech. There are two Associate levels: Basic/Preferred and Premium/All-Star.

Associate Status

There are three types of Associate status. 1.) Active—renewed their annual status and purchased the appropriate amount of sales volume in the current business period. 2.) Current—any Associate or Member who has placed an order in a 365-day reporting period. 3.) Inactive—an Associate or Member who has not ordered any products or packs in the most current six completed business periods.

Automatic Order

An optional product order that is automatically generated from the start date selected. Orders are processed every 28 days at an additional discount.

Automatic Order Bonus

An optional bonus of 3% of an Associate's discounted auto order is paid each business period to the Enroller if they are a Qualified Leader, or to the first upline Qualified Leader above the Associate with the automatic order.

Basic Associate

See: *Preferred Associate*.

Beta Glucan

A polysaccharide consisting of glucose units, found in grains, yeasts and fungi such as mushrooms.

Business Period

For compensation distribution purposes, Mannatech divides each year into 13 four-week business periods. A business period calendar with dates for the year

can be found on Mannatech Online Document US#1992001 or Canada #1992011.

Carbohydrate

Any of a class of compounds consisting of only carbon, hydrogen and oxygen. Carbohydrates are produced by plants. Examples include sugars, polysaccharides, starches, cellulose and gums.

Cardiovascular System

Also called the circulatory system. The bodily system made up of the heart, blood vessels and blood.

Career and Compensation Plan

The Mannatech Career and Compensation Plan is designed to maximize each stage of business growth. Through multiple income streams, Associates are rewarded for their efforts on initial business development and sales. The plan provides a variety of distinct methods of earning income.

Clinical Trial

A scientific investigation to determine the safety and effectiveness of a product in humans. A clinical trial may be blinded, randomized and/or placebo-controlled.

Coded Legs

Qualified 1-2-3-4 Star legs are considered "coded" legs in the Leg Star Bonus program.

Compression

In the Unilateral, Leadership and Generational Bonuses, all non selling and non-renewed Associates are eliminated from the calculation of the bonus. Purchasing Associates are then compressed, replacing the levels of non selling and non-renewing Associates and creating pay levels before bonuses are calculated. The Pack Qualifying Credits (PQC) count as an active pay level and Actual Pay Out (APO) is paid on Premium Packs. (Note: This only applies to US, Canadian and South African Premium Packs.)

Current Associate

Any Associate who has placed an order in a 365-day reporting period.

Diet

A person's usual food and drink.

Digestive System

The bodily system made up of the organs and glands responsible for digestion. The digestive system includes the mouth, stomach and intestines.

Direct Bonus

The bonus paid to the Enroller on the sale of any product pack.

Direct Selling

The sale of a consumer product or service, person-to-person, away from a fixed retail location. These products and services are marketed to customers by independent distributors.

Direct Selling Association (DSA)

The national trade association of the leading firms that manufacture and distribute goods and services sold directly to consumers.

Downline

Consists of all the Associates and/or Members enrolled or sponsored by an Associate or by other Associates in their team or organization.

DSA

See: *Direct Selling Association*.

Enroller

The Associate who is listed on the Associate Application and Agreement as the Enroller, and who receives the Direct Bonus. The Enroller and the Sponsor may be the same person, or the Enroller may place the new Associate under a different Sponsor in their organization.

Enzyme

A protein produced by living cells which accelerates or catalyzes biochemical processes, such as digestion.

Executive Director (ED)

Mannatech's third level of Leadership. Qualified Premium/All-Star Associates who have a minimum of three legs with a total of 20,000 Group Point Volume (GPV) based on product sales, thus qualifying them for the Executive Leadership Bonus with increased depth bonuses beyond the National Leadership Bonus.

Fiber

Also called dietary fiber. Mostly indigestible plant matter, consisting primarily of polysaccharides, found in grains, fruits and vegetables.

First Generation Power Bonus

The bonus paid to the Enroller of an Associate who personally enrolled Associates and completes the sales qualifications for a Personal Power Bonus.

First Generation Fast Start Bonus

The bonus paid to the Enroller of an Associate who personally enrolled Associates and completes the sales qualifications for a Personal Power Bonus within the first three complete business periods from the registration date.

Food and Drug Administration (FDA)

The government organization that is responsible for regulating food and drugs for widespread use within the United States.

Food Matrix

Complex of nutrients (fats, proteins, carbohydrates, vitamins, minerals and phytochemicals) as they naturally occur in foods.

Former Buyer

An Associate or Member who last placed a product/pack order (excluding MPMs) in the time period three, four, five and six completed business periods ago, and who does not have an Automatic Order that will trigger a product purchase in the current business period.

Free Radical

An unstable, highly reactive atom or group of atoms or cell components. Because of at least one unpaired electron, they can cause significant

damage to cells, including proteins, membranes and genetic material. Over time, they can also damage our body systems and organs, including the cardiovascular system, heart, brain and eyes. The net effect is premature aging.

Fuoidan

A polysaccharide found mainly in brown seaweed, such as *Undaria pinnatifida*.

Generational Bonuses

A series of bonuses paid to qualified Associates at various Leadership levels based on the sales activities of Leaders in their organization at equal or higher Leadership levels.

Generational Volume

The volume created by downline Leaders of the same or higher level as the Leader.

Global Advisory Council (GAC)

Comprised of one Associate representative from each country where Mannatech operates. They provide input to the Corporate headquarters on common issues that affect the entire business of Mannatech.

Glucose

A monosaccharide which is the major energy source of the body.

GMPs

Also called Good Manufacturing Practices. Regulations issued by the FDA to ensure that products are properly manufactured, packaged, labeled and stored. GMPs for dietary supplements were issued in June 2007.

Group Actual Pay Out (GAPO)

The total APO that is paid on product sales generating from a Leadership organization (same as Regional Director level or higher) in a qualification period down to the next Leader of same or greater Leadership status. While excluding your own APO, it does include your first Leader's APO.

Group Point Volume (GPV)

The total PPV earned from all Associates and members in your downline, in one business period.

Hydroponic

Plant grown in nutrient solution instead of soil.

Immune System

A collection of mechanisms that protects the body from foreign substances.

Inactive Associate

An Associate or Member who has no product/pack order (excluding MPMs) in the current or previous six completed business periods, and who does not have an Automatic Order that will trigger an order in the current business period.

Income

Income that re-occurs month after month, on an ongoing basis, from initial business efforts. The network marketing business model provides for income from all ongoing product orders of everyone in your business organization, through the specifics of the compensation plan.

Independent Distributor

An Associate who is entitled to participate in the Career and Compensation Plan through the sponsorship of other Associates and Members or through retailing product orders to consumers. Independent Distributors are eligible to purchase directly from Mannatech at Associate cost.

Leader

Any Associate who has obtained one of Mannatech's Leadership Levels: Regional Director, National Director, Executive Director or Presidential Director.

Leadership Bonuses

A series of bonuses that provide increasing income as the Associate advances in leadership levels. The Associate must first be a Qualified Associate and will earn increasing percentages of product sales generated in their downline organization, into greater depth of their organization.

Leadership Development Bonus

Designed to reward National Directors and Executive Directors for building the first level of National Director leaders, or higher, in their organization. This can range from \$100 per National Director to \$450 per Executive or Presidential Director.

Leg

A personally sponsored Associate and his or her entire downline structure.

Leg GPV (Leg Group Point Volume)

Leg GPV is the total Group Point Volume under an entire leg of your organization. Leg GPV includes member volume for Leadership purposes.

Leg Pack Qualifying Credit (PQC)

The total Pack Qualifying Volume within a particular leg that accumulates toward the Power Bonus, based on pack sales in the downline organization.

Leg Star Bonus

This bonus is paid on the sale of Premium/All-Star Packs, Upgrade Packs and Renewal Packs. Leg Star Bonus is paid upline to Premium/All-Star Associates, with Qualified Legs, on the sale of Premium/All-Star Packs in their Star legs.

MannaFestSM

Mannatech's annual international convention usually held during March.

MannaPages

A free e-commerce web site provided to every Associate.

MannaRelief

A non-profit international organization formed to help at-risk children by working with other ministries, non-profit organizations and missionaries throughout the world.

Mannatech Online Documents (MOD)

Mannatech's library of online documents. Individual documents are listed by MOD number for easy retrieval.

Meeting Host

An Associate who plans and/or hosts regular Associate Events/meetings supported by Mannatech by providing qualified Speakers.

Member

A regular consumer of Mannatech's products who receives a 5% discount off the retail prices of our products. Members are not Associates and

do not participate in the Mannatech Career and Compensation Plan.

Member Point Volume (MPV)

The total Member PV of all Members who qualify in a business period. This PV total is used to calculate the Personal Member Point Volume and Group Point Volume.

MOD

See: *Mannatech Online Documents*.

Monosaccharide

Carbohydrate in the form of a simple sugars.

MPV

See: *Member Point Volume*.

NAAC

See: *North American Advisory Council*.

ND

See: *National Director*.

National Director (ND)

Qualified Premium/All-Star Associates who have a minimum of two legs with a total of 6000 Group Point Volume (GPV), thus qualifying them for the National Leadership Bonus with increased depth bonuses beyond the Regional Leadership Bonus.

Natural Health Product

Under the Natural Health Products Regulations, which came into effect on January 1, 2004, natural health products (NHPs) are defined as :

- Vitamins and minerals
- Herbal remedies
- Homeopathic medicines

- Traditional medicines such as traditional Chinese medicines

Network Marketing

A business model in which a distributor network is needed to build the business. Usually such business involves payouts occurring at multiple levels (hence, multilevel marketing).

Non-comedogenic

Not tending to clog pores.

Non-Qualifying PQC

An indication of the “lost” PQC volume by any Associates who are not qualified Premium/All-Star Associates.

North American Advisory Council (NAAC)

An elected body of North American Associates that serve as a liaison between you—the Associates—and our corporate leadership. You can voice concerns or make suggestions through any active council member.

ORAC

Also called Oxygen Radical Absorbance Capacity. A method of measuring antioxidant activity.

Oxidative Stress

Stress on the body caused by free radicals.

Pack Qualifying Credit (PQC)

The point volume associated with each new sign-up product pack and upgrade product pack sale, where the credit counts for qualifying purposes in the business period the pack is sold. The cumulative PQC will accrue for Power Bonus credits as product packs are sold in the downline organization. If an All-Star Associate drops from qualified status, any accumulated PQC is zeroed out. (Please see Personal Power Bonus information on page 10 for further details.)

Paraben

A chemical used as a preservative in foods and cosmetics. Examples include methylparaben and propylparaben.

PD

See: *Presidential Director*.

Physical Level/Pay Level

Physical level is the actual level where an Associate is located in downline structure. Pay level is the level at which an Associate will be paid after commission.

Phytonutrient

Biological compound found in plants. Examples include carotenoids (a yellow, orange or red pigment found in plants, such as carrots) and phytosterols.

Personal Fast Start Bonus

A one-time \$425 bonus when a Qualified Premium/All-Star Associate achieves their Personal Power Bonus within 3 complete business periods from the original enrollment date.

Personal Member Point Volume (PMPV)

The total of an Associate’s PPV versus their personally sponsored Members’ PV in a business period.

Personal Point Volume (PPV)

The number of points earned on personal product purchases/sales needed to qualify for commissions during each business period. The PPV is used to calculate PMPV and GPV.

Personal Power Bonus

A one-time \$425 bonus when a Qualified Premium/All-Star Associate first achieves a total of 6000 Pack Qualifying Credits (PQC) based on product pack sales in two separate legs. The fastest way to a Power Bonus is to build a Team of six Qualified Premium/All-Stars. See page 10 for other Personal Power Bonus Qualifications.

Platinum Pool

A Global Volume Bonus is a pool of 1% of Global Finished Product Sales, and funds a reward program for Platinum Presidential Directors plus certain travel and business development costs for Platinum Presidential Directors.

PMPV

See: Personal Member Point Volume.

PPV

See: *Personal Point Volume*.

PQC

See: Pack Qualifying Credit.

Preferred Associate

An Associate who has enrolled with a Basic/Preferred Associate Pack. Non-renewed Premium/All-Star Associates who continue to order products are re-classified to this level.

Premium Associate

See: *All-Star Associate*.

Presidential Development Bonus

Rewards Presidential Directors for developing Presidentials in their organization, both in depth and in width (that is, more legs). The more Presidential Director legs an upline Presidential has (width), the deeper down it will pay.

Presidential Director (PD)

This is Mannatech’s highest leadership level. These are Qualified Premium/All-Star Associates who have a minimum of three legs with a total of 60,000 Group Point Volume (GPV) based on product sales, thus qualifying them for the Presidential Leadership Bonus with increased depth bonuses beyond the Executive Leadership Bonus. Further, Presidential Directors gain benefits for building additional Presidential legs (see Presidential Development Bonus). A Bronze Presidential is a PD with a Presidential in one leg; a Silver Presidential has two legs with at least one PD; a Gold Presidential has three legs with at least one PD; a Platinum Presidential has four or more legs with at least one Presidential in each leg.

Primary Volume

The volume created by a Leader down to the next Leader in his or her organization of the same or higher level.

Point Volume (PV)

Points assigned to every product for the purpose of bonus qualifications. (PV does not apply to the Wealth Optimizer)

PV

See: *Point Volume*.

QA

See: *Qualified Associate*.

Qualified Associate (QA)

An Associate who has at least 100 QV in the business period. A Qualified Premium/All-Star Associate must renew annually to maintain all Premium/All-Star privileges. Basic/Preferred Associates, including non-renewal for new Premium/All-Star Associates, must simply maintain 100 QV each business period to reclaim Qualified status.

Quality Assurance

This department is responsible for ensuring that all products are produced under the guidelines of Good Manufacturing Practices (GMP) and are manufactured according to the highest standards. They, in partnership with our suppliers, work to ensure that each lot of product meets Mannatech's strict quality standards.

Qualified Leg

A downline leg that contains 12 Premium/All-Star Associates. The first such leg becomes your Qualifying Leg, and does not generate Leg Star Bonuses, but all other legs become 1-Star legs and receive Leg Star bonuses on Premium/All-Star Packs purchased in them. Additional qualified legs, to a maximum of four, increase the Star Bonus component paid out on all subsequent legs.

Qualifying Volume (QV)

Volume coming from an Associate's personal sales volume. This can be the sum of both PPV and PQC. Premium/All-Star Associates must also be renewed for their Qualifying Volume to count toward all applicable commissions.

QV

See: *Qualifying Volume*.

RD

See: *Regional Director*.

Regional Director (RD)

Qualified Associates who have a minimum of two legs with a total of 1500 Group Point Volume (GPV), thus qualifying them for the Regional Leadership Bonus with increased bonuses deeper into their organization.

Regulatory Affairs

This department is responsible to provide worldwide regulatory guidance and oversight on all Mannatech products in all markets of operation. They prepare product registration, monitor the changing regulatory environment and ensure that all labels meet regulatory requirements for product formulation and claims.

Renewal

To be entitled to the full range of Premium/All-Star continuing bonuses, Associates must renew their positions annually, or re-achieve their status through the accrual of set PMPV based on product sales. The PMPV requirements in a business period for the Premium/All-Star level requirements are 500 PPV plus 500 Member PV.

Roll-Up

Several Bonuses are paid out on every Associate's APO. When an Associate does not qualify to earn any portion of the Unilateral, Leadership, Generational or Leg Star Bonus, the remaining bonuses roll up to the first Associate qualified to earn the bonus.

Saccharide

Any of the many carbohydrates, especially a simple sugar (monosaccharide) or a chain of two or more simple sugars (disaccharide, oligosaccharide or polysaccharide).

Second Generation Power Bonus

This bonus is paid to the enroller of the First Generation Power Bonus earner.

Second Generation Fast Start Bonus

This bonus is paid to the enroller of the First Generation Power Bonus earner.

Silver and Gold Bonus

A Global Volume Bonus that is a pool of 1% of the Global Automatic Order Sales which funds a reward program for Gold and Silver Presidential sales.

Sponsor

An existing Associate becomes a Sponsor at the time of enrollment of a new Associate, the "Sponsor" designation on the application guides the placement of the new Associate. The new Associate is placed directly beneath them. Every personally sponsored new Associate begins a new leg for the sponsoring Associates.

Stockpiling Product

Stockpiling is the excessive ordering of products in amounts for the purpose of qualifying for commissions, bonuses or advancement in the compensation

plan. Stockpiling manipulates the compensation plan, unfairly impacting other Associates. Company regulations require that 70% of products ordered in a business period be used by the Associate or sold to personal retail customers prior to re-ordering.

Storefront

The physical location at the corporate office and National Events where Associates and employees can purchase Mannatech products

Success Tracker

Mannatech's proprietary Business Management system that provides Associates with business-critical information. From downline associate search tools to robust Sales & Marketing reports, Success Tracker supplies information that provides visibility into all aspects of an Associate's Mannatech business, which allows them to manage and grow their business.

Suggested Retail Price

The recommended selling price for a product by the Associate to his or her non-member customers. This is a recommended price only, and there is no obligation to comply with the recommendation.

Synthetic

Made through a chemical process not of natural origin.

TDB

See: *Team Development Bonus*.

Team

This term has multiple uses in Mannatech. (a) A "team" of 6 people, in the right configuration, with qualifying orders, will provide you with an ongoing Team Bonus. The same "team," comprised entirely of Premium/All-Star Associates, can provide you with a one-time Power Bonus. (b) Many leaders use "team" to define their entire Mannatech organization. (c) Other leaders use "team" to define a smaller group of leaders, or leaders-in-training, that they work closely with on an ongoing basis of mutual support to achieve growing success.

Team Bonus

Provides at least \$100 each business period for building a team of six Qualified Associates who achieve 100 QV in product sales each BP.

Team Development Bonus (TDB)

Once you have reached Regional Director and beyond, this win-win bonus pays \$20 to the first-generation upline Leader, and \$15 to the second generation upline Leader, whenever an Associate in their organization achieves a Team Bonus. This bonus is ongoing every business period that qualifications are met.

Thermogenesis

Production of heat, especially in the body.

Total Company APO

The total Company APO available for pools and commissions, less any amounts allocated to the Retention Program.

Unilateral Bonus

A long-term income bonus based on the volume of products you and your organization sell. Initially a Qualified Associate is paid 2% of the product APO on their first two levels. 4% of levels 3, 4 and 5. This income stream grows as the Associate advances into leadership levels (see Leadership Bonuses).

Vitamin

An organic substance essential to the metabolism in most animals and humans. Vitamins are found in food, in some cases are produced by the body and are also produced synthetically.

Viscosity

The resistance of a substance to flow. For example, water has a lower viscosity than syrup and flows more easily.

Notes

If you would like additional information about any aspect of this Career and Compensation Plan, please contact the Associate enrolling you, who will be glad to help.

International sponsoring details are available from the following sources:

- Corporate web site new.mannatech.com
- Mannatech Online Documents at the corporate web site
- Associate Policies and Procedures, MOD 1290101
- Customer Care 800-281-4469



Mannatech.

Enriching Quality of Life™

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