



Welcome to Mannatech

Business
Development

Fundamentals



Mannatech.
Enriching Quality of Life™

Compliance Matters

Commonly Asked Questions & Answers

What Can I Say About Mannatech Products?

Mannatech products are designed to optimise 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 common 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 a healthy immune system.

PhytoMatrix™ Caplets

The PhytoMatrix product is our vitamin and mineral phytochemical supplement. It is one of the industry's first supplements to combine standardized levels of plant-derived minerals, naturally sourced vitamin complexes and a blend of phytonutrients.

BounceBack™ Capsules:

A combination of select ingredients that, when taken daily, over time†, reduces muscle pain and tenderness following physical activity 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 not only play an important role in endocrine health but also in bone, colon, breast and prostate 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 www.ethicspoint.com.

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**.

† Allow 4–6 weeks for optimal results.



Mannatech Code of Ethics

Everything You Need for Vibrant Health

Mannatech is committed to fostering you in a professional and responsible networking business. 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 and to be 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 earning 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 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.



Mannatech Compensation Plan

A Path Worth Pursuing

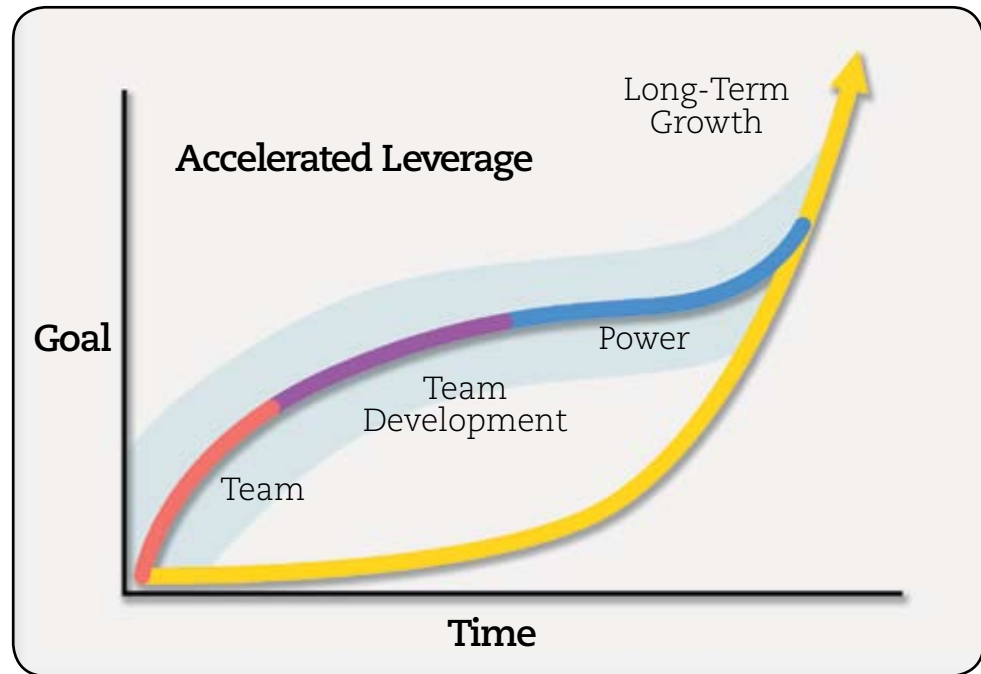
Accelerate Your Path to Success

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 bonuses or commissions. 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 organisation, the faster your earnings can build.

Mannatech Opportunity

Features of the Mannatech Compensation Plan Include:

- Accelerated Leverage Bonuses
- Potential for long-term business growth
- Seamless international sales organisation
- Professional business and product training opportunities
- Bonuses calculated and paid directly by Mannatech
- Direct customer ordering, discounted Automatic Order and direct customer shipping
- A wide range of proprietary, high-quality, scientifically based nutritional supplement products, plus proprietary skin care products with mass market appeal



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 bonuses while you focus your efforts on building long-term growth and, ultimately, possible financial freedom.

Your Path to Success



Mannatech Compensation Plan

The Mannatech Compensation Plan is designed to maximise each stage of business growth. Through multiple 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 organisation to capitalise on each of these bonuses.

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 rewards 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 to place retail product orders directly with the company. Give a customer your account number preceded by an "R". (Example—R12xxx). 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 R75 to cover administrative costs. This fee will be waived if a product order is placed at the time of application. The Member price is 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 enrol as active Associates in their Sponsor's downline sales organisation.

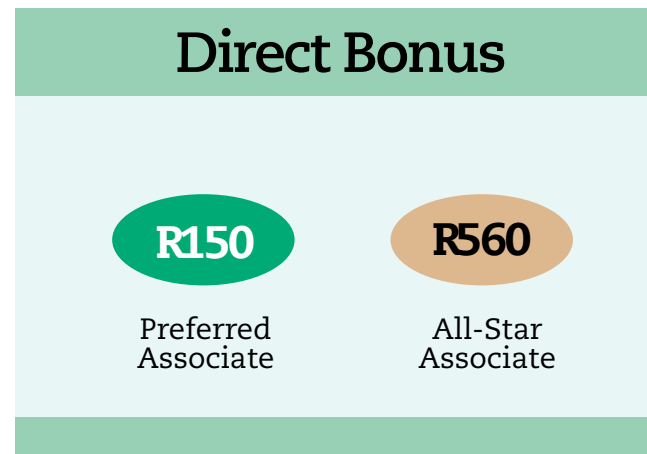
*Qualified Associates (QAs) are Associates who have renewed their position and have 100 Qualifying Volume (QV) in a business period (BP). QV is the sum of Personal Point Volume (PPV) from product purchases and Pack Qualifying Credit (PQC) from pack purchases.

Personally Sponsored and Enroled Associates

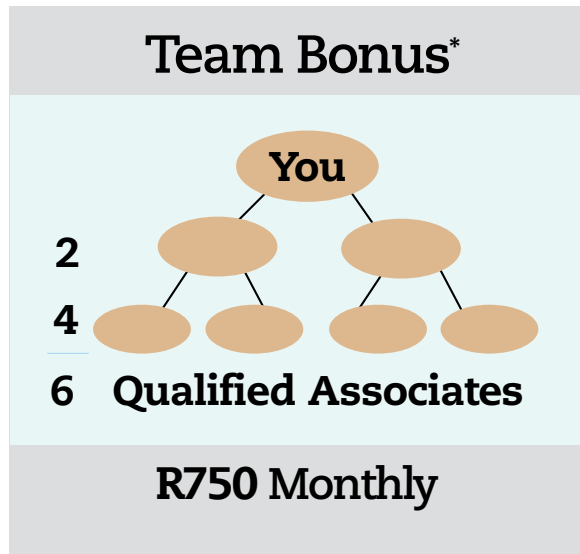
The Mannatech Compensation Plan allows Associates to leverage their income opportunity via the principle of multiplication versus addition. In direct sales, income is earned and increased by adding additional customers (e.g., $4 + 4 + 4 = 12$). However, in network marketing, the duplication of your initial efforts through the sales made by people you sponsor can multiply your rewards (e.g., $4 \times 4 \times 4 = 64$). Mannatech offers you the opportunity to earn significant rewards generated from product sales through an organisation that can be expanded worldwide. Approximately 42% 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 Enroler on the sale of any product pack. The Enroler must be in the same line of sponsorship as the new position generating the sale of the product pack. If the Enroler'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.



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 earnings are designed to help Associates set the cornerstones of their businesses by growing and training their own sales organisations. 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 organisation. You can earn a check each business period (BP) of at least R750, 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 R750/BP with sales generated by only six Qualified Associates in your downline. You will continue to receive this bonus in each BP the qualifications are met until your earnings exceeds R750/BP.**
- **Motivates everyone in your organisation and their product customers to enrol in the Automatic Order programme.**
- **Assists in building your downline team to help you qualify for long-term earnings 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 organisation 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 organisation 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 R750, so that a check of R750 will be paid until your Direct and product bonuses exceed R750. 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

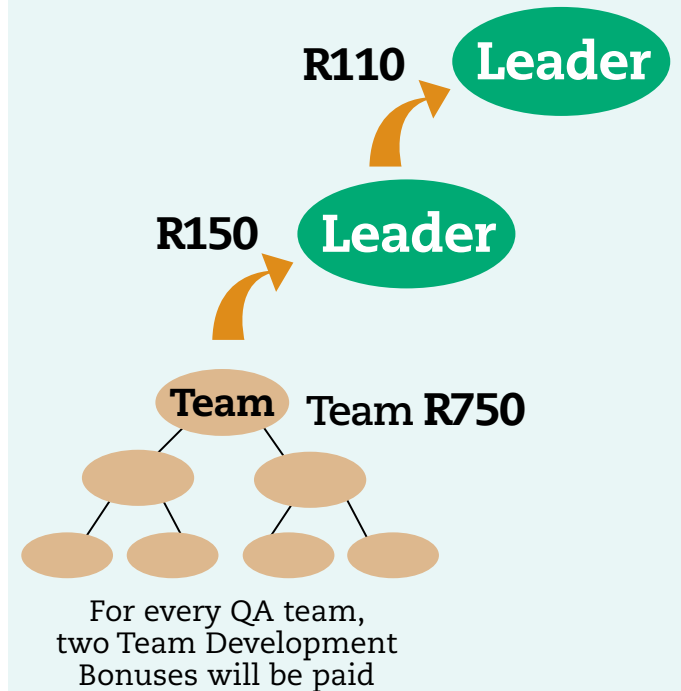
The Team Development Bonus (TDB) provides a fast track to immediate compensation and a significant bridge to more substantial compensation. Once you have reached a Leadership level (Regional Director and above; see page 13), the Team Development Bonus will provide you with additional income for helping Qualified Associates in your downline build, train and maintain teams in their own sales organisations. 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 R150 Team Development Bonus. The second-generation RD or above will receive a R110 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



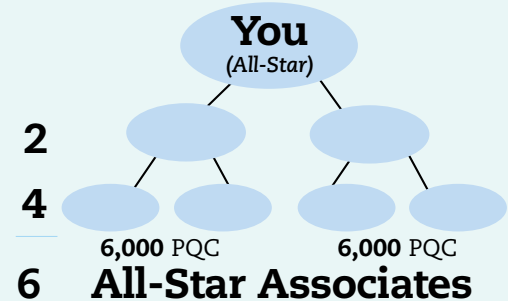
Personal Power Bonus and Fast Start Bonus

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 sales organisation 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 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 organisation. The 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.
- When 6,000 PQC is accumulated in each of two separate legs, the Associate will qualify for a one-time R3,190 Personal Power Bonus.

Personal Power Bonus*



R3,190 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 points or an upgrade pack, 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 the first three complete business periods from his/her registration date to qualify for a one-time R3,190 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 Enroler, any time a new Premium/All-Star Qualified Associate in your organisation earns a Personal Power Bonus, you will earn a 1st Generation Power Bonus of R1,500.

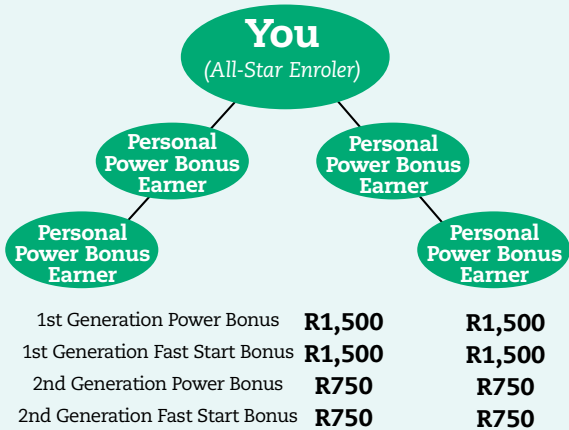
- Enroler must be a Premium/All-Star Qualified Associate who has received the Personal Power Bonus through the sale of product packs. Only Premium/All-Star Qualified Associates are eligible to receive the 1st and 2nd Generation Power Bonus.
- Qualified Premium/All-Star Associates may earn a 1st or 2nd Generation Power Bonus for every Associate they enroll who earns a Personal Power Bonus.
- The Enroler of the 1st Generation Power Bonus earner will earn a 2nd Generation Power Bonus of R1,500.

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

When a Premium/All-Star Associate you enrolled earns a Personal Power Bonus through the sale of product packs within his/her first three complete business periods to qualify for a Fast Start Bonus, you will also earn a 1st Generation Fast Start Bonus of R1,500, if you are a Qualified Premium/All-Star Associate with 100 QV and have received the Personal Power Bonus.

- The Enroler of the 1st Generation Fast Start Bonus Earner will earn a 2nd Generation Fast Start Bonus of R750.

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



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

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 organisation and benefited from Mannatech's Accelerated Leverage Team and Power Bonuses, Mannatech's long-term bonuses can provide you with opportunities to work your way toward financial freedom. Mannatech has nine types of long-term bonuses. These bonuses are based on the sale of product packs and of the individual products you and your organisation 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 Bonus and Auto Order Bonus.

Unilateral Bonus

The Unilateral Bonus is a long-term bonus/commission stream based on the volume of products you and your organisation 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 organisations. 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 organisation 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 organisation 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 rewards 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 organisation 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 organisation. Leadership Bonuses will be paid for product sales generated in your downline organisation.

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

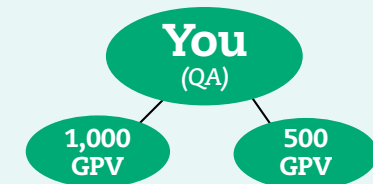
Regional Leadership Bonus

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 organisation of the same or higher level.

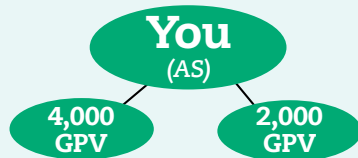
Regional Director



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

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

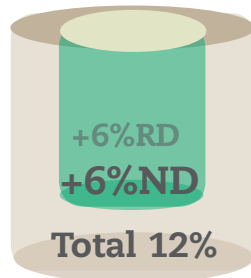
Executive Directors (EDs) are qualified Premium/All-Star Associates who have at least three legs with a total of 20,000 GPV in a qualifying period. The GPV can come from any number of legs, but no more than 14,000 GPV can come from any one leg in a qualifying period, and no more than 18,500 can come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

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%**

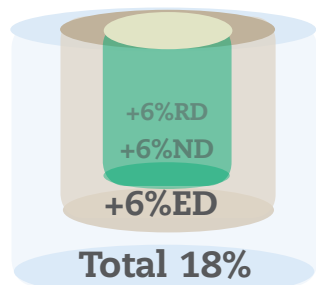


*Levels 6 and 7 include roll-up.

**Maximum earnings with roll-up.

Executive Leadership Bonus

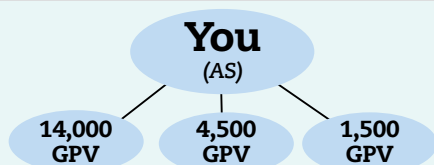
Levels	Primary	Total
1	2%	20%
2	2%	20%
3	4%	22%
4	4%	22%
5	4%	22%
6	6%*	24%**
7	6%*	30%**
8	6%*	36%**



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

** Maximum earnings with roll-up.

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

Presidential Directors (PDs) are Qualified 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

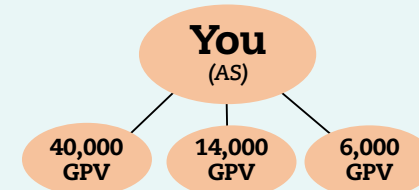
A Gold Presidential is a PD with a Presidential in three separate downline legs in the same BP.

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.

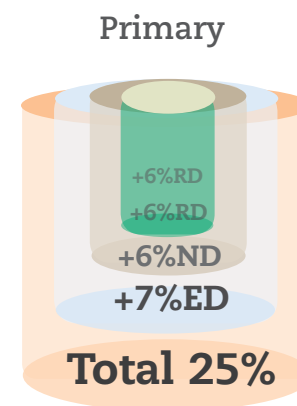
Presidential Director



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

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 organisation. 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 R750 per ND in your organisation where you are the first upline qualified ND. If you are an Executive Director or above, you earn R3,375 per ED or PD in your organisation 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 earnings for building depth within your organisation. 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) Upgrade packs sold. 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 Bonus Qualification

You have 1-Star status if you have at least one leg containing 12 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 Bonus Qualification

You achieve 2-Star status by having two legs, each containing 12 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 Bonus Qualification

You achieve 3-Star status by having three legs, each containing 12 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 Bonus Qualification

You achieve 4-Star status by having four legs containing 12 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 Bonuses.

Leg Star Bonus

	AS	RENEWAL
1-Star	R165	R150
2-Star	R330	R300
3-Star	R495	R450
4-Star	R660	R600

Long-Term Bonuses

Presidential Development Bonus

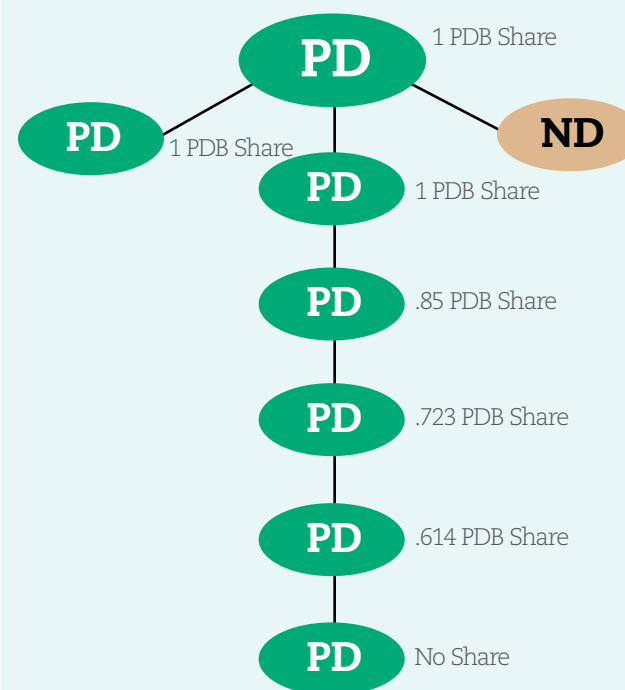
The Presidential Development Bonus rewards Presidential Directors for developing Presidentials in depth and width. The Presidential Development Bonus is paid from a pool of 5% of total APO and a contribution from certain pack sales.

Each Presidential Director receives one share (not to exceed R3,375) 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 Cheque 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 .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 organisation generating Unilateral Bonuses and the volume of your organisation generating Leadership Bonuses. Having your customers on Automatic Order helps you maintain both the depth and volume of your organisation.

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 Enroler 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 cheque 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 programmes 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 programmes can result in awarding you cash, prizes or admission to special events for meeting selected sales performance criteria. You might even find yourself at an exotic location, accompanied by your Mannatech friends and business associates!

Visit 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 Star Leg programme 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

If you are an 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 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 R600 through the Leg Star Bonus programme.

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 delivery costs for Mannatech mailings for the next year.

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

If you are an All-Star Associate, you may also meet your annual Leadership renewal requirements in your anniversary BP by meeting these PMPV requirements as described below:

- 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 delivery costs for Mannatech mailings for the next year.

(3) Automatic Retention at the Preferred Associate Status

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.

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.

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	2.25	Compensation Plan and Income Earning Misrepresentations		5.10	Suggested Retail Price	
1.1	Member		2.26	Product Claims and Misrepresentations		5.11	Purchase for Own Use (Inventory Requirements)	
1.2	Independent Associate		3	International Policies	page 31	5.12	Stockpiling Product	
1.3	Associate Application and Agreement/ Identification Numbers		3.1	How to Conduct Business Internationally		5.13	The 70% Rule	
1.4	Establishing a Corporation, Partnership or Trust		3.2	Gift of Products		5.14	Replacement of Defective Product	
1.5	Combining a Third-Party Agreement with Your Mannatech Business		3.3	International Sponsoring		5.15	Satisfaction Guarantee	
1.6	Responsibilities to your Downline Organisation		4	Sponsorship Business Rules	page 32	5.16	This section intentionally left blank.	
1.7	Voluntary Termination from the Company		4.1	Rights to Choose Sponsorship		5.17	This section is intentionally left blank.	
2	Conducting Your Business, Internet Usage, Product Sales and Recruiting	page 27	4.2	Inducements to Select a Different Sponsor		5.18	This section intentionally left blank.	
2.1	Advertising		4.3	Sponsor and Enroler Information		5.19	This section intentionally left blank.	
2.2	Classified Advertising		4.4	Changing Lines of Sponsorship		5.20	This section intentionally left blank.	
2.3	Telephone Directory Advertising		4.5	Sale or Transfer of Associate Position		6	Laws, Regulations and Disciplinary Procedures	page 37
2.4	Answering the Telephone		4.6	Inheritance of Associate Positions		6.1	Amendments to Policies & Procedures	
2.5	Business Stationery		4.7	Multiple Positions		6.2	Removal of Policies and Procedures	
2.6	Use of Company Name, Logo or Trademarks		4.8	Cross-Sponsoring of Spouses/Household Members		6.3	Assignment	
2.7	Creation and Use of Third-Party Materials		4.9	Recruiting Associates into Other Companies		6.4	Governmental Laws	
2.8	Representations as to Products		4.10	Renewals		6.5	Contacts with Government Regulators	
2.9	Reproducing Approved Educational and Promotional Material		4.11	Downline Reports		6.6	This section intentionally left blank.	
2.10	This section intentionally left blank.		4.12	Confidential Information/Reports Provided to Associates		6.7	This section intentionally left blank.	
2.11	This section intentionally left blank.		4.13	Business Periods		6.8	Requirement for Regulatory Training	
2.12	Use of Testimonials		4.14	Income Taxes		6.9	Monitoring of Meetings	
2.13	Use of Online Sales Media		4.15	Commission Research Requests		6.10	Reporting Violations	
2.14	This section intentionally left blank.		5	Operations, Ordering, Product Returns, Refunds and Shipping	page 35	6.11	Resolution of Disputes	
2.15	Internet Web Sites and Use of Company Trademarks		5.1	Ordering Options		6.12	Disciplinary Procedure	
2.16	Company Intranet Guidelines		5.2	Mail Orders		6.13	This section intentionally left blank.	
2.17	E-Mail Correspondence		5.3	Discount Automatic Orders		6.14	Termination of the Agreement by the Company	
2.18	Broadcast FAX		5.4	This section intentionally left blank.		6.15	Effect of Termination	
2.19	Contacting the Media		5.5	Payment Options		6.16	Sanctions	
2.20	Trade Shows and Expositions		5.6	This section intentionally left blank.		6.17	Reinstatement After Termination by Company	
2.21	Retail Sales		5.7	Credit Cards		6.18	Indemnification	
2.22	Repackaging and Relabeling Company Products		5.8	Sales Tax		6.19	Governing Laws	
2.23	Promotion of Product for Animal Use		5.9	This section intentionally left blank.		Waiver		page 40
2.24	Misrepresenting the Company							

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 Swiss International GmbH (hereinafter referred to as the "Company") within the Policies and Procedures, the Associate Application and Agreement, Compensation Plan, all provisions indicated on Company 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 Company 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 may result in the termination of the Agreement. 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), 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 enrolment, 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 Compensation Plan and does not earn commissions.

1.1.5 Members have no renewal requirements or obligations; however, they do participate in the retention program and will have 45% reduction of the APO of their product order(s) on or after the fourteenth business period each year starting from their date of entry into the Company. A Member must submit an Associate Application and Agreement in the event they wish to become an Independent Associate and participate in the Compensation Plan.

1.1.6 A current Associate in good standing may hold one (1) Member position in each Country of Operation (see Policy 3.1) and must be personally sponsored under their own primary account number.

1.1.7 A Member must abide by the terms and conditions set forth on the Member Application.

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 South Africa, United States, Canada, Australia, New Zealand, Germany, Denmark, South Korea, Taiwan, the United Kingdom and Japan, as well as any other Country of Operation as defined in Section 3.

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 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, and complying with all exchange control obligations under South African law. You will keep all proper records necessary to ensure the proper assessment and payment of any such taxes and duties and to demonstrate compliance with exchange control obligations.

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 reserves 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 are paid only on product sales. No benefits or bonuses are paid or received solely from sponsoring other Associates in the Company Compensation Plan, and no earnings are guaranteed from mere participation in the 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 competing products, services or opportunities not directly produced or approved by the Company whether at any of the Company's presentations, training events or otherwise as stated in 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.

1.3 Associate Application and Agreement/Identification Numbers

1.3.1 Any person, corporation, or other entity desiring 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 copy of a valid South African identity document, and identification number (IDN), and an income tax number. A company or close corporation seeking Associate status must submit a company registration number and tax registration number (TRN).

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. Any Associate found not to be 21 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 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 and you have been assigned an account number. Incomplete applications will not be accepted and may not be returned.

1.3.4 Upon acceptance of the Application by the Company, you are assigned a Company account number ("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 IDN or TRN.

1.3.5 You must report changes to your account, DBA, sole proprietorship, Associate name or address in writing to the Company within fourteen(14) days of the change occurring.

1.3.6 If you submit a false IDN or TRN to the Company, your Agreement may be subject to immediate termination. No IDN or TRN may be used in connection with an Associate Application or order without that person's prior consent. If you submit forged signatures or other information on any Company 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 or internet. However, the Company must receive a signed Application and Agreement from all new Associates. If a signed application or Signature Form (MOD USA1804601) is not received within 30 days from the phone or internet application, the Company may suspend earned commissions until such time as the Company has received the signed Application or signature form. 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 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 partners, beneficiaries and/or shareholders, as well as all officers and directors or trustees of the corporate, partnership or trust entity by completing a Form C-1 (MOD USA1806401), Disclosure of Corporate Partnerships or Corporate Members or a Form C-1 (a) (MOD CAN6063 and CAN6163) Disclosure of Trust Beneficiaries and Trustees. Any and all officers and directors or trustees 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, trustees, and/or directors, an additional Statement of Guarantee and Indemnity, Form C-2 or Form C-2 (a), must be completed and submitted to the Company for each such person. You must notify the Company of changes in individual shareholders, partners, beneficiaries, trustees 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 South African law. If the Company approves such a change; the organisation's name and the names of the principals of the organisation 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 organisation. 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 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 Company Products or 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 may result in 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 Organisation

1.6.1 You are responsible for training your downline organisation 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.

1.7 Voluntary Termination from the Company

1.7.1 An Associate who wishes to terminate an Associate account must submit such request in writing on a termination form (MOD USA1806001).

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.

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.

1.7.4 This section intentionally left blank.

1.7.5 This section intentionally left blank.

1.7.6 Participants in the Member program must adhere to the requirements of 1.7.1 and 1.7.2 above. 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 MannaPage, 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 trademark of Mannatech, Inc."

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 South Africa.

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 You may not use the Company name, logo, trademarks and/or names of Company products in Associate-produced advertisements or materials since you are prohibited from producing your own promotional materials.

2.6.2 You can use only the "Mannatech Independent Associate" logo. You may not reproduce the "Mannatech, Incorporated" logo.

2.6.3 Except in the case of advertising or instructions provided by the Company for the promotion of your MannaPage, you may not use the name Mannatech or any of its trademarks as a part of your business, Corporation, Internet 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 organisations who endorse the Company, except as specifically written in current Company-approved materials.

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

2.7 Creation and Use 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 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, 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.

2.8 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 or reproduced 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. The Company may require, without limitation to any other legal remedies that may be available to it, 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 This section intentionally left blank.

2.11 This section intentionally left blank.

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 This section intentionally left blank.

2.12.7 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, disease process, or disease 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 This section intentionally left blank.

2.15 Internet Web Sites and Use of Company Trademarks

2.15.1 The Company maintains a web site at mannatech.com and offers our Associates Company-produced web sites (“MannaPages”). Except in the case of advertising provided by the Company for the promotion of your MannaPage (See 2.15.3), you are not allowed to advertise the Company, its trademark names, its products, its products’ ingredients, or the opportunity in any way on your own or anyone else’s independent Web site.

2.15.2 An independent web site may not provide a link directly to the MannaPage for the Independent Associate, nor may the MannaPage provide a direct link to an independent web site.

2.15.3 Independent Associates may provide a direct link to their MannaPages from Internet search engines provided that the search parameters (metatags, search and source codes, etc.) are compliant. You may only use Corporate provided Internet banner ads for advertising your MannaPage. You may not bid on key words, advertise on web sites, or utilize search parameters that address: specific diseases, disease claims, or disease processes.

2.15.4 Independent Associates must not post photographs, video clips, or any other material that misrepresents Mannatech products or the benefit of using Mannatech products, regardless of the broadcast media used (social networking [ie. www.myspace.com], broadcast [ie. http://youtube.com], etc.). This includes, but is not limited to, the offering of Mannatech products under a different and/or generic product name, either by re-naming, re-labeling or re-packaging.

2.15.5 Independent Associates must not post materials or testimonials that link the benefits of Mannatech products, Mannatech ingredients, or glyconutrients in conjunction with any particular disease, disease process, or disease claim.

2.15.6 The Company will hold Independent Associates and content providers strictly liable for Web site material.

2.15.7 The Company reserves the right to seek any and all remedies available by law, including injunctive relief, in addition to disciplinary action by the Company up to and including termination, 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.

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 shall be a breach of the Agreement, which may result in termination of the Agreement.

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 in breach of the Agreement, which may result in termination of the Agreement.

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, provincial and national regulations. 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, 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 MannaPage if the originating source of the link does not violate Associate Policies and Procedures. Prohibited sources include, but are not limited to, non-compliant websites, 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 shall act in breach of the Agreement which may result in termination of the Agreement, and may also be liable for violation of government 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 Public Relations Department of Mannatech, Inc. (publicrelations@mannatech.com). Associates who contact the media directly or indirectly to participate in any fashion are strictly prohibited from discussing the Company, products, business or 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 a professional 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, news stands, 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 Intentionally left blank.

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 Repackaging and Relabeling Company Products

You are strictly prohibited from re-labeling or in any manner altering the labels on any Company products. Additionally, you may not repackage or refill products and must sell the products in their original unopened containers. If you participate in this activity, you expose yourself to potential criminal charges and/or civil damage claims. A violation of this policy shall constitute a breach of the Agreement, which may result in termination of the Agreement.

2.23 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. A violation of this policy shall constitute a breach of the Agreement, which may result in termination of the Agreement.

2.24 Misrepresenting the Company

Presenting the Company, Compensation Plan, employees or products in a deceptive, fraudulent, slanderous or misleading way constitutes a breach of the Agreement, which may result in termination of the Agreement.

2.25 Compensation Plan and Income Earnings Misrepresentations

Opportunities for income under the 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. Misrepresentation of income earnings or Compensation Plan includes, but is not limited to, the following:

2.25.1 Reviewing the Compensation Plan with any person without clearly stipulating that no remuneration is received solely for enrolling or sponsoring new Associates.

2.25.2 Reviewing the 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.

2.25.3 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.

2.25.4 Reviewing the Gold Plan Automatic Order (GPAO) details, without disclosing that the GPAO is optional, generates 13 times a year (every 28 days), is automatically charged to the credit card provided, 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 GPAO. The discount will vary if product selections are changed.

2.25.5 Representing, either directly or by implication, that all participants who enter into the business will succeed.

2.25.6 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).

2.25.7 Misrepresenting the cost amount that an average Associate might expect to incur in carrying on the business.

2.25.8 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.

2.25.9 Representing through statements or implication that you will build a downline for a person;

2.25.10 Using any misleading, deceptive or unfair recruiting methods.

2.25.11 Discussing or making warranties, representations or statements concerning Company products in a manner that is inconsistent with the Company-produced literature.

2.25.12 Promoting the Company, its products and/or business plan in conjunction with the sale of stocks or securities related to the Company.

2.26 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:

2.26.1 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.

2.26.2 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 and Procedures.

2.26.3 Use or distribute, for the purpose of marketing products or in promotion of the Compensation Plan, materials which violate 2.7, 2.8 or the provisions of this section of these Policies and Procedures.

2.26.4 Re-label or in any manner alter the label of any Company product. Additionally, you must not repackage or refill Company products and must sell Company products in their original, unopened containers.

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, the company is authorized only to conduct business in the United States, Canada, Australia, New Zealand, Germany, Denmark, the United Kingdom, Japan, South Korea, Taiwan and South Africa. 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, Compensation Plan or products.
- Offer Company products for sale or distribution.
- Reproduce or self-produce literature for distribution.
- Accept payment for enrolment or recruitment from citizens living in an Unauthorized Country of Operation.
- 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.

3.1.3 A violation of the International Policy shall constitute a breach of your Agreement, which may result in termination of the Agreement.

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 governing 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 Enroller/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 Enroller/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 hereby 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.

3.3.5 If you plan to do extended business in another Country of Operation, you may create a Company account by completing a Member Application and Agreement in the Country of Operation that you are visiting. Your main account number must be the Sponsor and the Enroller, and the position is used for in-country product purchases only.

4 Sponsorship Business Rules

4.1 Rights to Choose Sponsor

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/enroled 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/Enroler 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/enroler 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/enroler 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 Enroler 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 enrol under your line of sponsorship when it is made known that he or she has been working with another Associate.

4.3 Sponsor and Enroler Information

4.3.1 Independent Associate Application: You must provide the Company with valid Sponsor and Enroler details at the time your application (this includes telephone applications) is submitted. Applications received without Sponsor and Enroler information will be returned to the applicant unprocessed. Sponsors/Enrolers must be in the same leg of an organisation. Applications received with either a Sponsor or Enroler will be processed making the Sponsor and/or Enroler 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 Enroler, on the Sponsor Change, will be denied.

4.3.2 Member Application: In order to sponsor a Member and earn commissions from your product purchases, you must be a Qualified Associate (as defined in the 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 organisation 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.

4.3.3 Associates have seven days to make Sponsor/Enroler changes to applications submitted over the internet.

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, 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 MOD USA1807201. If, at the time of the request, the requesting Associate has a downline organisation 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 organisation 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 Sponsor 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 enrol 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 enrol 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 USA 1806001), 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 enrolment 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).

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 and satisfy any outstanding debt obligations with the Company.

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 MOD USA1805601.

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 as a result of a breach of the Agreement by you 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 termination 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 shall act in breach of the Agreement, which may result in termination of the Agreement.

4.5.7 Members are not eligible for a Position Transfer into other existing positions in a downline organisation. Members wishing to become Associates can sign up as a new Associate, but cannot position transfer into an existing Associate position (See MOD USA1801101).

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 **Associate Positions.** 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 organisation 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 organisation 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 organisation 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 advised to work exclusively in the original position. Neither the cross-sponsored position nor the downline organisation will be moved. If the Sponsor or Enroler is found to have knowingly or willingly encouraged the cross-sponsoring, the Sponsor/Enroler's conduct will constitute a breach of her/his Agreement, which may result in termination of her/his Agreement.

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 competing 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 organisation. 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

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 fourteenth Business Period of their enrolment 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 Enroler 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.

4.10.4 There are no renewal requirements for Member positions.

4.11 Downline Reports

Requests for downline reports (MOD USA6015) 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 organisation. 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 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 Company 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 may, in its discretion, suspend your access to its Confidential Information at any stage upon becoming aware of a breach or alleged breach by you of this policy. Any breach of this policy may result in termination of your Agreement.

4.13 Business Periods

4.13.1 Business Periods end every 28 days on Friday. (Business Period Calendar MOD USA1992001)

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 less than \$5.00 will be forfeited after one year.

4.14 Income Taxes

You are an independent contractor. It is not the company's intention to constitute an employment relationship with you. The Company does not deduct personal taxes from your commission checks. At the end of the calendar year, the Company provides 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.

4.15.5 The Company may charge a fee for processing Commission Research Requests.

5 Operations, Ordering, Product Returns, Refunds and Shipping

5.1 Ordering Options

5.1.1 Telephone orders will be accepted with credit card payment. Call the Company at 0800 981 117 to order. Do not mail the hard copy of the order to the Company when ordering by telephone.

5.1.2 To order by e-commerce, enter the order via the Company 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 to 0800 981 113. Do not mail the hard copy of order to the Company.

5.1.4 To order by mail, send a completed Product Order Form with credit card information, cashier's check or money order in U.S. funds to: Mannatech, Incorporated, Attn: SA Operations, 600 S. Royal Lane, Suite 200, Coppell, TX, USA 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 Gold Plan Automatic Order Program (Gold Plan). APO is discounted accordingly on all automatic orders. You may participate in the program upon enrollment as an Associate. Simply complete the Gold Plan Automatic Order Form (MOD USA6016) or place the order by phone at 0800 981 117. 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 Gold Plan order. 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 Gold Plan order will remain in effect until terminated by you in writing or by calling 0800 981 117.

5.3.3 You may make changes to the Gold Plan order via the Internet. If you use the Internet to make changes, you will not be charged a processing fee for facilitating the changes yourself. If you request a change to your automatic order that involves processing by staff, you will receive only a 5% discount on the next order that generates.

5.3.4 Gold Plan orders 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 in writing prior to the Gold Plan order generation five (5) days prior to the Gold Plan order 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:

5.3.6 Members' Gold Plan Automatic Orders do not pay a 5% Gold Plan order Bonus to the upline.

5.3.7 Members receive an additional 10% discount from the Member Price (approximately 5% less than the Suggested Retail Price) when participating in the Gold Plan.

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

5.3.9 Actual payout will be reduced by 15% on Members' Gold Plan order.

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

5.4 This section intentionally left blank.

5.5 Payment Options

5.5.1 All payment for products and materials must be in U.S. funds, payable via Company-accepted credit cards. The Company does not accept COD (cash on delivery) orders.

5.5.2 Each Associate is solely liable for ensuring that his/her purchases are fully compliant with all applicable South African exchange control obligations.

5.5.3 This section intentionally left blank.

5.6 This section intentionally left blank.

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 in breach of her/his Agreement, which may result in 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 South African Associate(s) will pay VAT based on the Associate cost of the product, less any applicable discount for Automatic Order.

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

5.8.3 This section intentionally left blank.

Member:

5.8.3 Member(s) will pay VAT based on the Member price, less any applicable discounts for Automatic Order.

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

5.9 This section intentionally left blank.

5.10 Suggested Retail Price

Retail prices set by the Company are recommended prices only. You may sell products for any price you choose.

5.11 Purchase for Own Use (Inventory Requirements)

You have no inventory requirements.

5.12 Stockpiling Product

5.12.1 The Compensation Plan is based on 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 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 Compensation Plan and unfairly leads to one Associate's gain and another's loss.

5.12.2 Any Associate requesting a refund on stockpiled product may be refunded at the Company's discretion.

5.13 The 70% Rule

5.13.1 Product Sales: The Company Compensation Plan is based upon the sale of the Company products and services to end consumers. You must fulfill personal and downline organisation 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.

5.13.2 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 the Company 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 Compensation Plan every Business Period. These customers can be Personal Retail Customers, Automatic Product Order Customers, Preferred Customers or any combination of the three.

- You must maintain records of all retail sales for a period of two years and furnish them to the Company at the Company's request. Records documenting the purchases of Associate's Preferred Customers will be maintained by the Company.

5.14 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 5.15.1.

5.15 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.

5.15.1 Associate and Member Return Procedures

To return used product for a refund you must:

- a. Contact Customer Service to obtain a Return Authorization Form. Unauthorized returns will not be accepted and the contents may be destroyed.
- b. Complete a Return Authorization Request Form (MOD 1813317).
- c. Comply with instructions found on the Return Authorization Request Form.
- d. Enclose bottles in the package.
- e. You are responsible for return shipping costs, any insurance, and tracing your return shipment package should it become necessary.
- f. Associates whose used returns exceed R7,500 will be deemed by Mannatech as an Associate's Voluntary Termination.

5.15.2 Retail Customer Return Procedures

To return used products for a refund you must:

- a. If purchased directly from the Company, Mannatech will process the return directly on behalf of the Associate. Follow the procedures found in 5.15.1.
- b. If purchased from an Associate, the Associate is obligated to honor Mannatech's Satisfaction Guarantee (see 2.21.8). Upon receipt of the products from the Customer, the Associate may

return used Product to Mannatech for refund or exchange following the procedures found in 5.15.1.

5.15.3 Product Exchanges

- a. The Company will exchange for equal value any product that is returned in marketable condition purchased within twelve (12) months of the purchase date. You will be charged a 10% restocking fee if you exchange product.
- b. Contact Customer Service to obtain a Return Merchandise Authorization following the procedures found in 5.15.1
- c. 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.
- d. The Company will pay for the return postage for the product going back to the customer.
- e. There is no additional Actual Pay Out (APO) or Personal Point Volume (PPV) on exchanged orders.
- f. Returned product has no cash value and will not be credited to your Mannatech account.

5.15.4 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.

5.15.5 Commissions on Refunded Products

Any returned products for refund that entitles upline Associates 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 future commission checks.

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5.18 This section intentionally left blank.

5.19 This section intentionally left blank.

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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 and Procedures and 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 and Procedures and 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 and 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 has been approved or endorsed by any governmental agency.

6.4.2 If you are found to have violated national, federal, or provincial law or the regulatory provision of any jurisdiction in the course of offering the Company business plan or any Company

products, the Company shall be entitled to terminate 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 in violation of these Policies and Procedures and may be subject to termination of this Agreement.

6.4.5 For the purposes of Clause 6.4.4, of these Policies and 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, including but not limited to the Department of Health and MCC and/or the Advertising Standards Authority of South Africa, 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.

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6.7 This section intentionally left blank.

6.8 Requirement for Regulatory Training

The Company from time to time may offer seminars in connection with regulatory training. 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 Company guidelines 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 national law. The Company is committed to complying with all legal requirements. 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. Call 0800 981 117 for information on how to make that report. Violations may be reported via phone from South Africa by calling 0800 981 117 or via the web at www.ethicspoint.com

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 Any of the following persons (also referred to as "the Initiator") may bring an alleged violation of a Policy by an Associate, or "Issue" in which an Associate is involved, to the attention of the Company: 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 Company shall investigate any such allegation by firstly, completing the Compliance Complaint Form 1 ("F1"). The F1 may be reported via phone from South Africa by calling 0800 918 117 or via the web at www.ethicspoint.com.

6.12.2 An "Issue" must be brought to the Company's attention within six (6) months of its occurrence, unless good cause is shown for the delay.

6.12.3 The Company's Director of Compliance, or designee, 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.

6.12.4 The Director of Compliance, or designee, may determine in her/his sole discretion that the allegations can be substantiated but that it does not warrant termination of the Agreement. In these circumstances, the violating Associate shall be informed of the breach of the policy concerned and shall be put on terms, i.e. the violating Associate shall be informed that should a similar violation occur in the future, the Company shall have the right to terminate the Agreement. In addition, the Company may, in its discretion:

- i) Clarify the meaning and application of a specific Policy or Procedure and advise that a continued breach may result in termination of the Agreement;
- ii) Require the Associate to take remedial action, which may include follow-up by the Company to ensure compliance with the Agreement and the Policies and Procedures;
- iii) Suspend certain privileges of Associateship including but not limited to placing product orders, participating in Company programmes, progressing in the Compensation Plan or participating as a Sponsor (including participating as an International Sponsor) for a period of time until the Associate satisfies certain specified conditions;
- iv) Withdraw or deny an award or recognition, or restricting participation in Company sponsored events for a specified period of time, or until the Associate satisfies certain specified conditions;
- v) Withhold commissions or bonuses for a specified period of time or until the Associate has satisfied certain specified conditions; or
- vi) Impose fines or other penalties permitted by law.

6.12.5 In the event that a violation warrants immediate termination of the Agreement, the Company shall be entitled to exercise its rights to this effect.

The Company shall in exercising its rights in terms of this clause 6.12, insofar as it is necessary in the Company's sole and absolute discretion, provide the Associate with the opportunity to make representations as regards the alleged violation of the Policy.

6.13 This section intentionally left blank.

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 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 D/B/A, 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 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 down-line organisation or any future bonuses and/or commissions from sales generated by the organisation. 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 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.

6.16 Sanctions

The Policies & Procedures are incorporated into the Associate Application and Agreement and constitute 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 act as it sees fit, 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 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.

6.17.2 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 1.31 of these Policies and Procedures).

6.17.3 The request shall be considered by the Company and at its sole discretion, the Company shall either approve or reject the request for reinstatement.

6.17.4 The decision of the Company 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 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.

6.18 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 Governing Laws

The Associate Application & Agreement is governed by the laws of South Africa.

Waiver

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.

Glossary of Terms

Accelerated Leverage

Mannatech's combination of Team Bonus, Team Development Bonus and Power Bonus, which together can provide you with significant early bonuses while you are building your business organisation toward success.

Actual Pay Out (APO)

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

All-Star Associate (AS)

An Associate who achieves 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®

Mannatech's flagship product is Ambrotose® complex, the first glyconutritional dietary supplement, a blend of plant polysaccharides.

Amino Acid

A building block of proteins. There are only 20 amino acids; 8 are essential amino acids and must be obtained through the diet, and the remaining 12 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 fibre.

Associate

Any independent distributor who is eligible to participate in the Compensation Plan and is governed by the Associate Policies and Procedures, Compensation Plan and Associate Terms and Conditions as part of his or her agreement with Mannatech.

Associate Levels

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

Associate Status

There are three types of Associate status. 1.) Active—renewed their annual status and achieved 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

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

Automatic Order Bonus

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

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 in Mannatech Online Documents in the library section of the Mannatech web site.

Carbohydrate

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

Cardiovascular System

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

Compensation Plan

The Mannatech Compensation Plan is designed to maximise each stage of business growth. Through multiple streams, Associates are rewarded for their efforts on initial business development and sales. The plan provides about 18 distinct methods of earning bonuses and commissions.

Coded Legs

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

Colostrum

The pre-milk produced by mammals shortly after birth containing protein, antibodies and growth factors.

Compression

In the Unilateral, Leadership and Generational Bonuses, all non-selling and non-renewed Associates are eliminated from the calculation of the bonus. Non-selling Associates are then compressed, replacing the levels of non-purchasing and nonrenewing 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 South African, U.S. and Canadian 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 Enroler 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 (DSASA)

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 organisation.

DSA

See: *Direct Selling Association*.

Endocrine System

An integrated system of small organs that involve the release of extracellular signaling molecules known as hormones.

Enroler

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

Enzyme

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

Essential Fatty Acid

A fatty acid which must be obtained from the diet. Examples include the omega-3 fatty acids eicosapentanoic acid (EPA) and docosahexanoic acid (DHA).

Executive Director (ED)

Mannatech's third level of Leadership. Qualified 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.

Fibre

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

First Generation Power Bonus

This is paid when one of your personally enrolled Associates completes the sales qualifications for a Personal Power Bonus.

First Generation Fast Start Bonus

This is paid when one of your personally enrolled Associates completes the sales qualifications for a Personal Power Bonus within the first three complete business periods from the registration date.

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.

Fucoidan

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 organisation 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.

Glycaemic Index

A system that ranks foods by the average increase in blood glucose levels after the food is eaten.

Glyconutrient

A dietary supplement, typically composed of plant polysaccharides, that includes sources of one or more of the following monosaccharides: arabinose, fucose, galactose, galacturonic acid, glucose, glucuronic acid, mannose, n-acetylgalactosamine, n-acetylglucosamine, n-acetylneuraminic acid, rhamnose or xylose.

GMPs

Also called Good Manufacturing Practices. Regulations issued by the Food and Drug Administration (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 organisation (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. Only product PV counts toward GPV.

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.

Independent Distributor

An Associate who is entitled to participate in the 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 organisation, into greater depth of their organisation.

Leadership Development Bonus

Designed to reward National Directors and Executive Directors for building the first level of National Director leaders, or higher, in their organisation. This can range from R750 per National Director to R3375 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 organisation. 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 organisation.

Leg Star Bonus

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

MannaFestSM

Mannatech's annual international convention usually held in the U.S. during March.

MannaPages

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

MannaRelief

A non-profit international organisation formed to help at-risk children by working with other

ministries, non-profit organisations and missionaries throughout the world. MannaRelief is an independent non-profit organisation and is not owned or controlled by Mannatech, Incorporated.

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 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.

Microflora

The microorganisms, including bacteria, that live in the digestive system.

MOD

See: *Mannatech Online Documents*.

Monosaccharide

Carbohydrate in the form of a simple sugar.

MPV

See: *Member Point Volume*.

NAAC

See: *North American Advisory Council*.

ND

See: *National Director*.

National Director (ND)

Qualified 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.

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 All-Stars.

North American Advisory Council (NAAC)

An elected body of North American Associates that serve as a liaison between you—the Associates—and corporate leadership.

Omega-3

Also called omega-3 fatty acid. An essential fatty acid found especially in fish, fish oils, vegetable oil, flax seed and green leafy vegetables.

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 organisation. 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*.

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.

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 compression.

Phytochemical

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

Personal Member Point Volume (PMPV)

The total of an Associate's PPV plus 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 R3,190 bonus when a Qualified All-Star 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 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 programme 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*.

Prebiotic

Food substances intended to promote growth of beneficial bacteria in the intestinal tract.

Preferred Associate

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

Presidential Development Bonus

Rewards Presidential Directors for developing Presidentials in their organisation, 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 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 organisation of the same or higher level.

Probiotic

A dietary supplement containing beneficial bacteria found in the intestinal tract. Examples of beneficial bacteria include *Lactobacillus acidophilus* and *Lactobacillus casei*.

Point Volume (PV)

Points assigned to every product for the purpose of bonus qualifications.

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 All-Star Associate must renew annually to maintain all All-Star privileges. Preferred Associates, including non-renewal for new 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 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 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 All-Star Packs sold 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. 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 organisation.

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 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 All-Star level 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 crystalline, usually sweet-tasting, carbohydrates, especially a simple sugar (monosaccharide) or a chain of two or more simple sugars (disaccharide, oligosaccharide or polysaccharide).

Second Generation Power Bonus

Paid to the enroler of the 1st Generation Power Bonus earner.

Second Generation Fast Start Bonus

Paid to the enroler of the 1st 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 program for Gold and Silver Presidential sales.

Sponsor

An existing Associate becomes a Sponsor at the time of enrolment 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.

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 All-Stars, can provide you with a one-time Power Bonus. (b) Many leaders use "team" to define their entire Mannatech organisation. (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 R 750 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 R 150 to the first-generation upline Leader, and R 112 to the second generation upline Leader, whenever an Associate in their organisation 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 Programme.

Unilateral Bonus

A long-term income bonus based on the volume of products you and your organisation 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

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 mannatech.com
- Mannatech Online Documents at the corporate web site
- Associate Policies and Procedures, MOD 1290117
- Customer Care 0-800-981-117



Mannatech.

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