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1. General Information

1.1. Associate Policies and Procedures

The Associate Policies and Procedures ("Policies and Procedures") are an integral part of the Mannatech Associate Application and Agreement ("Application") (hereinafter collectively referred to as "Agreement"). As an Independent Associate, you must comply with all the terms and conditions set forth by Mannatech, Incorporated (hereinafter referred to as the "Company") within the Policies and Procedures, the Associate Application and Agreement, Compensation Plan. All applicable laws and regulations in the state, province, country or other political subdivision where an Associate lives and in which a Mannatech business is being operated must be honored. Policy violations are addressed by the Compliance Administration Procedure. The Board of Directors ("Board") has the ability to waive any rules as deemed appropriate. It is important to study this document carefully. Please note, the goal of this document is to set a solid foundation for our mutual success.

1.2. Independent Associate

An Associate is a Mannatech product reseller that earns a commission based on the Mannatech Compensation plan. An active Associate renews each year to maintain their active status. While they are a product of the product and find value in Mannatech products, they are not required to make product purchases.

While an Associate is focused on building a business, Preferred Customers are product users who find great value from using Mannatech products. Customers are not invested in building a business. However, Preferred Customers may receive a product discount based on product purchases and referrals. Preferred Customers must reside in the country in which they are registered.

Associates are prohibited from owning a Preferred Customer account. A violation to this policy may be considered a manipulation of the Compensation Plan. If an Associate is found to have both an Associate account and a Preferred Customer account, that Associate may be subject to disciplinary action, up to and including termination of the Associate account.

Please see mannatech.com and review the Mannatech Compensation Plan for further details. 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 Canada, the United States and other regions where Mannatech is open for business. For further details, please review section 3.

- 1.2.2. An Associate is an independent contractor for legal, governmental tax, and any other purposes. There is no employer/employee relationship, partnership, agency or joint venture relationship between an Associate and the Company. Associates set their own business hours and determine their own methods of procuring orders. Associates are solely responsible for paying all taxes or duties required by law, including income tax, national insurance contributions and the proper reporting, submission and payment of tax on sales and bonuses/commissions/incentives. Associates will keep all proper records necessary to ensure the proper assessment and payment of any such taxes and duties.

- 1.2.3. Associates may not bind the Company or incur any debt or expenses 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. Associates must always identify yourself as an "Independent Associate" in all written and verbal communications.

- 1.2.6. The Company has the right to request information regarding Associate business to ensure compliance with the Agreement.

- 1.2.7. All bonuses, commissions, and incentives are paid only on product sales. No benefits or bonuses are paid or received solely from sponsoring other Associates in the Company Compensation Plan. Earnings are not guaranteed from mere participation in the Compensation Plan.

- 1.2.8. Associates must operate their business in accordance with applicable laws and regulations.

- 1.2.9. Associates are prohibited from promoting or selling to existing members and prospects any products, services or opportunities that are not directly produced or approved by the Company.

- 1.2.10. Associates must not continue to do Mannatech business with a terminated Associates, Shareholder, member, or Partner of a terminated Associate.

- 1.2.11. Associates are not eligible to serve as an officer, director or employee of the M5M Foundation during the time they are an Independent Associate of Mannatech.

1.3. Associate Application and Agreement/ Identification Numbers

- 1.3.1. Any person, corporation or other entity desiring Independent Associate status must complete a Company Associate Application and Agreement. The Company reserves the right to refuse to accept any prospective applicant without explanation and in its sole discretion. The applicant must provide a valid social insurance number (SIN) or business number (BN). [All accounts must have a valid contact name (a natural person residing in the country of operation in which the application is submitted.) and telephone number listed on the account. Accounts submitted with false information will be immediately terminated and the individual enrolling the account will be subject to disciplinary and legal action.]

- 1.3.2. The Company will reject any application if the prospective applicant fails to provide the required information. Applicants who choose not to provide the information may sign up as a Preferred Customer. Associates who are not 18 years of age or older must be in a joint distributorship with their parent(s) or guardian(s). The parent or guardian must personally sign all relevant Mannatech agreements and acknowledgments as co-applicants. An Associate found not to be 18 years of age will be terminated immediately, unless a parent or guardian assumes responsibility for the minor's Company business and provides a Consent Form for Minor Children, 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 (mail, fax or online) from the applicant, a fully completed and signed (by the prospective applicant) Associate Application and Agreement. The Agreement does not become effective until it is accepted by the Company at Flower Mound, Texas, and you have been assigned an account number. No commissions/bonuses/incentive are earned until the Company receives valid documents and support application documentation (to include but not limited to, signed agreement and terms and conditions, minor consent form or business, corporation, partnership or trust forms). If requested documents, support documentation or forms are not received within thirty (30) days from the date of enrollment, the account is subject to automatic termination.

- 1.3.4. Upon acceptance of the Application by the Company, the new Associate is assigned a company "account number" that serves as an official identification number

when sponsoring new Associates, Preferred Customers or placing product orders. This account number is cross-referenced to the Associate's SIN or BN.

- 1.3.5. Associates must report changes (DBA, sole proprietorship, Associates name, or address) to the Company within fourteen (14) days of the change occurring. If the change is clearly misspelling, inverted digit or an incomplete entry in a name or address this change may be made by phone.
- 1.3.6. If you submit false SIN or BN to the Company, you may be subject to immediate termination. SIN or BN information may not be used without that person's prior consent. Forged signatures or false information on any Mannatech forms for yourself or on behalf of another individual without the express written consent from the Associate may be subject to immediate termination.
- 1.3.7. A new Associate may process an application by phone. However, the Company must receive a signed Application and Agreement or Signature Form for Application by Phone from all new Associates within thirty (30) days from the date of enrolment. If the signed agreement or signature form is not received within thirty (30) days, the account is subject to automatic termination. See Section 1.3.3. and 1.4.1.
- 1.3.8. Associates are solely responsible for registering and/or obtaining any city, state or provincial licenses required to sell Company products.

1.4. Establishing a Corporation, Partnership or Trust

- 1.4.1. If an Associate application is in the name of a corporation, partnership or trust, the Associate must identify the shareholders, officers and directors of their corporate, partnership or trust entity by completing a Form C-1, Disclosure of Partnerships or Corporate Members or a Form C-1 (a), Disclosure (institution organization, association, etc.) of Trust Members. Any and all officers and directors of the Corporation or Partnership must provide a Statement of Guarantee and Indemnity (Form C-2 or Form C-2 [a]) respectively to the Company at the time the Associate Application and Agreement is submitted.

The appropriate disclosure forms must be submitted to the Company within thirty (30) days from the date of enrolment. If the form(s) are not received within thirty (30) days, the account is subject to automatic termination. See Section 1.3.3.

- 1.4.2. The Associate Application and Agreement may not

be processed without all of the proper attachments. If the business entity adds new officers and/or directors, another Statement of Guarantee and Indemnity, Form C-2 or Form C-2 (a), must be completed and submitted to the Company. Associates must notify the Company of changes in individual partners, beneficiaries, trustees, directors or officers within fourteen (14) days of the change occurring.

- 1.4.3. 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. The Company reserves the right to approve or disapprove your change of business name ("DBA Name") in the event it is offensive or conflicts with its trade names, trademarks, service marks or English law. If the Company approves such a change, the organization's name and the names of the principals of the organization must appear on the Change of Associate Information Form or a disclosure form with signed Guarantee of Indemnity. You may not use the name "Mannatech" or any of its product or trade names in your business name which might be confused with the Company.

1.5. Combining a Third-Party Agreement with Your Mannatech Business

- 1.5.1. A "third party" includes, but is not limited to, another Independent Associate or an unrelated individual/company offering business-building services or related/non-related goods and services.
- 1.5.2. The Company does not endorse or permit any third-party income representations, guarantees or other such representations to build your downline organization. In addition, the Company does not endorse any third-party individual or company making income representations through the use of third-party sales aids.
- 1.5.3. If you choose to enter into any such agreement with a third party, you do so at your own risk. The Company will not be bound by any such agreement or contract. The Company will not reimburse you for costs incurred as a result of any such agreement or contract described above.
- 1.5.4. 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 bono-Compnay component, agreement, business plan, method or device are prohibited. The Company does not honor these agreements and will not settle disputes resulting from

third-party agreements or between Associates.

- 1.5.5. The Company does not allow the Mannatech Products or Rewards Plan to be presented/offered in conjunction with any other business plan or other form of business. Violation of this Policy will be considered a breach of your Agreement and subject to termination of your Agreement.
- 1.5.6. Associates must not make deals with third parties to acquire the Company's products, and state that the third party will receive cash bonuses, commissions or any other benefit from the Associate or Company in return for marketing Company products.

1.6. Responsibilities to Your Downline Organization

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

1.7. Voluntary Termination

- 1.7.1. An Associate who wishes to terminate an Associate account must submit such request in writing (SIN, BN, account number and signature must be included) or by completing the Voluntary Termination form.
- 1.7.2. An Associate who voluntarily terminates may apply for reinstatement after the expiration of six (6) full Qualification Periods (the "waiting period"). Qualification Period is the same as a calendar month. 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 Preferred Customer in another line of sponsorship until the terminated Associate is eligible for reinstatement. (See Changing Lines of Sponsorship 4.4.4, 4.4.5 and 4.4.6).

- 1.7.3. A terminated Associate cannot sponsor new Associates. If a terminated Associate is listed on the Associate Application as Sponsor, the new Associate will be contacted to provide the Company with a valid Sponsor Identification Number which relates to an Associate in good standing.
- 1.7.4. Manitoba Residents Only: You can send your notice by registered or certified mail to Mannatech, Incorporated, c/o Thompson Dorfman Sweatman, 2200-201 Portage Ave., Winnipeg, MB R3B 3L3 or you may deliver it there in person.
- 1.7.5. Nova Scotia Residents Only: You can send your notice by registered mail, fax, personal delivery or any other method that will allow you to prove that you gave notice, to: Mannatech, Incorporated, Regus Purdy's Wharf --Tower One, 1959 Upper Water Street, 13th Floor, Suite 1301, Halifax, NS B3J 3N2 (Phone (902) 420-0122 or Fax (902) 422-2388)

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

2.1. Advertising

- 2.1.1. Associates may advertise their business online as long as the ads comply with these Policies and Procedures and DO NOT represent or imply that the as is placed by Mannatech, Incorporated. The as Cannot represent or imply that Mannatech products treat, cure, or prevent disease or represent or imply an earnings claim related to the Mannatech business opportunity.
- 2.1.2. Except in the case of advertising provided by the Company for the promotion of your Personal Mannatech Website or as otherwise allowed under Section 2.12 and 2.13, you may not advertise products by way of the internet or any other form of media such as radio or television.
- 2.1.3. In order to protect its trademarks, the Company must restrict its Associates from producing promotional material that has not been approved by the Company. The Company provides promotional materials (found in the Resource Library) for Associate use. Only those Company-produced promotional materials, or those which have been submitted and approved by the

Company, may be used by Associates. Approved content must be used as approved, any changes after written approval has been issued must be re-submitted for further approval before it can be used. Requests for approval must be submitted via email at: marketing@mannatech.com

- 2.1.4. Prohibited materials include, but are not limited to:
 - 2.1.4.1. Outdated Company-produced literature no longer in circulation and
 - 2.1.4.2. 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

Associates 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. These advertisements must be reproduced in their entirety without modification. The Associate name and contact information is all that can be added.

2.3. Telephone Directory Advertising

- 2.3.1. Associates may advertise in the telephone directory. Yellow Pages advertising must conform to all applicable Policies and Procedures. The approved White and Yellow Pages listing is as follows:
Associate's Name
Mannatech® Independent Associate
Associate Address
Associate Telephone Number
- 2.3.2. In the event the printer cannot insert the ® sign, there must be a line at the bottom of the ad that states "Mannatech is a registered trademark of Mannatech, Incorporated."
- 2.3.3. Associates 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

Associates are prohibited from answering the telephone in any manner that gives the caller the impression that they have reached the Company's Corporate office. Telephone recordings must state that the caller has reached an "Independent Associate" of Mannatech.

2.5. Business Stationery

Associates may purchase business cards and letterhead stationery. The title "Independent Associates" must

always accompany the Associates name when used with the Company name.

2.6. Use of Company Name, Logo or Trademarks

- 2.6.1. Except as permitted in Section 2.13, Associates may not use the Company name, logo, trademarks and names of Company products in Associate produced advertisements or materials.
- 2.6.2. The "Mannatech Independent Associate" logo is to be used by Associates. Associates may not reproduce the "Mannatech, Incorporated" logo except as permitted in Section 2.13.
- 2.6.3. Except in the case of advertising or instructions provided by the Company for the promotion of a Personal Mannatech Website, Associates may not use the name Mannatech or associated trademarks as a part of a business name, Corporation name, internet name, URL or domain name and social media account name or email address. Associates who use Mannatech trademarks without authorization from the Company will be required to relinquish their right to such marks without compensation by the Company.
- 2.6.4. When marketing, Associates may not use:
 - 2.6.4.1. The names or images of Company employees, executives, consultants.
 - 2.6.4.2. Athletes, celebrities and organizations who endorse the Company.
 - 2.6.4.3. Third-party companies, hospitals or institutions.
Please note the exception as specifically written in current Company approved materials or except as permitted in 2.13.

2.7. Creation, Use and Disclosure of Third-Party Materials

- 2.7.1. All sales aids (not limited to: printed, audio, video or electronic formats), generic materials (tools that can be utilized by others in the direct selling industry), or other materials not produced by the Company are considered "third-party materials."
- 2.7.2. Associates are prohibited from creating, selling, or distributing third-party materials which link the benefits of Mannatech products, the ingredients of Mannatech products and Glyconutrients in conjunction with any particular disease, disease process or disease claim. Associates must only use compliant materials when representing the Company. Materials must be compliant for the country in which they are to be used.
- 2.7.3. Associates must use only the sales aids and promotional

materials produced by Mannatech or those which have been submitted to Mannatech (at:marketing@mannatech.com) and approved by the Company. Any changes shall require that the revised material be re-submitted to Mannatech and receive separate written approval before it can be used. If an Associate submits material to Mannatech for approval, the request shall be deemed denied unless the Associate receives specific written approval. Associate receiving written approval for sales aids and promotional materials they produce may provide such materials to other Associates for use. Mannatech may revoke authorization. Associates waive any and all claims and causes of action against Mannatech for such revocation.

- 2.7.4. In addition to the requirement set forth in 2.7.3, Associates 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 to use for promotion of Mannatech products or the opportunity.
- 2.7.5. Associates must receive approval before distributing any new third-party promotional material related to the Company, its products, or Glyconutrients which is not produced by the Company and from which Associates derive (directly or indirectly) any compensation.
- 2.7.5.1. Associates must: Provide their name, Associate account number, the newly created third-party promotional material, the title, author and date of first distribution to the Company by:
 - 2.7.5.1.1. E-mailing the requested information and CD/DVD transcripts in a Word or PDF format to: BusinessEthicsUS@mannatech.com
 - 2.7.5.1.2. Faxing the requested information to 972-471-7764; or mailing a copy of said materials to Mannatech, Incorporated

Attn: Legal Department
1410 Lakeside Pkwy, Suite 200
Flower Mound, TX 75028

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

Associates may copy Company produced promotional materials verbatim, in whole, or in part for use in conducting their business. Educational materials may ONLY be used verbatim and IN THEIR ENTIRETY. Associates may not duplicate or record audio or video materials (including those materials produced for use on corporate website) produced by the Company. Any recording or duplication is strictly prohibited. Mannatech may require, among other things, that the Associate cease and desist from using or distributing such recordings. The Company may also request such content is destroyed at the Associate's cost.

2.10. Use of Mannatech's Patents in the Promotion of Mannatech Products

- 2.10.1. No patent claims for Mannatech dietary supplement products may be made unless those claims are found on the labels or in the promotional material created by Mannatech for its products.
- 2.10.2. The Glyconutrients named in Mannatech's patent are not intended or professed to cure any of the disorders listed in the patent and, as such, Associates are strictly prohibited from using Mannatech's issued patents and related content in the promotion of Mannatech's products.

2.11. Use of Testimonials

- 2.11.1. Testimonials: Independent Associates shall not use testimonials which link the benefits of Mannatech products, the ingredients of Mannatech products and Glyconutrients with any particular disease, disease process or disease claim.
- 2.11.2. Opportunity Meetings: At opportunity meetings, the host may allow attendees to make testimonials that touch on improved health and well-being (statements which do not link the benefits of Mannatech products, ingredients of Mannatech products and Glyconutrients with any particular disease, disease process or disease claim) they have personally experienced after use of Company products. Please not during the testimonial segment of the opportunity meeting, the proper disclaimers must be displayed (see text below).

Disclaimer: Mannatech 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 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.

- 2.11.3. 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 meeting leaders.
 - 2.11.4. Educational Meetings. Educational meetings are for informational purposes only; no promotion of the products or the business of the Company shall take place.
 - 2.11.5. Mannatech's Uth and TruHealth System Products: Associates are able to make testimonials and use before-and-after photos relating to Mannatech's Uth and TruHealth System products provided that:
 - 2.11.5.1. All statements are truthful;
 - 2.11.5.2. All statements are accurate;
 - 2.11.5.3. All statements are verifiable; and
 - 2.11.5.4. All before-and-after photos follow the guidelines stated on photos.mannatech.com (regardless of your intent to submit or non-submission of your photos to Mannatech).
 - 2.11.6. Photographs, Videotapes and 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 Glyconutrients with any particular disease or disease process is expressly forbidden.
- ### 2.12. Use of Online Sales Media
- 2.12.1. Associates may not sell Mannatech products on Amazon, Alibaba, eBay, Taobao, other online auction websites or other e-commerce sites or price-comparison sites that list other products. Associates may not market Mannatech products directly on these sites, or through the use of any other individuals, consignors, or agents.
 - 2.12.2. If selling or transferring Mannatech products to a third party in an attempt to circumvent this policy, the Associate shares full responsibility with the relevant third party shall be subject to any and all disciplinary actions the Company deems necessary. To avoid such actions, the Associate and the third party should assume all obligations applicable to the Company in accordance with Section 2.12, 2.19.5., and 2.19.10.
 - 2.12.3. While Mannatech provides each Associate their own website, Associates may create their own website through companies that offer e-commerce platforms (by way of example: Shopify). However, they cannot

sell on online auction sites as further described in Section 2.12. If a customer should request a refund, the Associate is responsible for facilitating proper refund protocol and treating the customer as though they purchased from their Company provided Personal Mannatech Website.

2.13. Use of Internet Websites, Electronic Media and Company Trademarks

- 2.13.1. Use of the Internet: The Company maintains a website at mannatech.com, and offers our Associates Company produced websites ("Personal Mannatech Website"). Associates may also have their own websites, blogs and other electronic medium (such as YouTube, Instagram, Facebook, Twitter, etc.) that are referred to as "Associate Internet Sites," to promote their Mannatech business by complying with the provisions below.
- 2.13.2. Use of Company Name and Intellectual Property: Associates must comply with the appropriate intellectual property marks and product descriptions when referencing the Corporate name, trademarks, copyrights, product names, ingredients or when discussing the business opportunity. Associates must prominently represent to the public they are Mannatech Independent Associates.
- 2.13.3. Trademarks: The trade name "Mannatech," related logos, and most Mannatech trade-marks and service marks are federally registered. Mannatech trademarks are adjectives and should be followed by generic terms or nouns. The trademark name should be in all caps or title case and followed by a noun. For example: AMBROTOSE powder or Ambrotose capsules; CATALYST multivitamin or Catalyst caplets. In addition, trademarks should be marked with the appropriate designation symbol. For example, Ambrotose® powder or PLUS™ caplets.
- 2.13.4. Mannatech may rescind previously permission for use if:
 - 2.13.4.1. The Associate does not comply with these Policies and Procedures.
 - 2.13.4.2. The content adversely affects Mannatech's reputation.
 - 2.13.4.3. The Associate is no longer active.
- 2.13.5. Associates may not use "Mannatech," any of Mannatech's trademarks, product names, any derivatives (such as "Manna") or misspellings that are similar when creating an email address for Company use.

- 2.13.6. Links to Corporate Sites: Associates may provide a direct link from their Associate Internet Site to their Personal Mannatech Website to mannatech.com and to any other Company-controlled URL. An Associate may also provide a direct link from their Personal Mannatech Website to their Associate Internet Site.
- 2.13.7. Search Engines: Associates may not bid on or purchase (or encourage or solicit any third party to bid on or purchase) any Mannatech trademark or Mannatech Related terms (including but not limited to Mannatech, Manna, official product names, any copyrighted content such as that found at Mannatech.com, etc.) as a paid keyword, paid search term, sponsored advertisement or sponsored link used to trigger search results. Only those Associates who successfully complete the Search Engine Advertising Certification process and are approved by the Company may use the Mannatech trademarks or Mannatech related terms as paid keywords, paid search terms, sponsored advertisements or sponsored links to trigger search results. The Search Engine Advertising Certification details are found in the Mannatech Resource Library at <https://library.mannatech.com/13903>. If a non-certified Associate wishes to use any such search-based keywords or advertising programs to advertise their Associate Internet site, Mannatech products or the opportunity, they may do so only using generic, unbranded search terms such as "supplements", "energy", "health", etc.
- 2.13.8. Associates may not use Mannatech trademarks or other information that would lead a consumer to believe that they are accessing Mannatech's website and not an Associate Internet Site. Then advertisement must include the Associate's information and the words "Mannatech Independent Associate" must be prominently used in the initial view of the ad. At any time Mannatech may request immediate removal of search engine marketing that is confusing, misleading, or deceptive to consumers.
- 2.13.9. Associates may not bid on key words, advertise on websites or utilize search parameters that address specific diseases, disease claims or disease processes. All search engine marketing must comply with all terms of the Policies and Procedures.
- 2.13.10. Precluded Actions: Your Associate Internet Site may not:
 - 2.13.10.1. Contain content (text, testimonial, audio, photo, video or otherwise) which asserts or implies that Mannatech products, Mannatech product

ingredients or Glyconutrients cure, treat, mitigate or prevent a particular disease, disease claim or disease process;

- 2.13.10.2. Link to another website that contains content which asserts or implies that Mannatech products, Mannatech product ingredients or Glyconutrients cure, treat, mitigate or prevent a particular disease, disease claim or disease process;
- 2.13.10.3. Contain content (text, testimonial, audio, photo, video or otherwise) that misrepresents Mannatech, its products or the business 1290101.1122 Page 7 of 22 opportunity to the public; and
- 2.13.10.4. Offer Mannatech products under a different or generic product name, either by renaming, relabeling or repackaging; and
- 2.13.10.5. Utilize an e-commerce feature other than offering direct link to the Associate's Personal Mannatech Website or mannatech.com. See Section 2.12.3. for exception details.
- 2.13.11. Responsibility for Site: The Company will hold Associates and any content providers strictly liable for the material contained on the Associate Internet Site.
- 2.13.12. Reservation of Rights: The Company reserves the right to seek any and all remedies available by law, including injunctive relief, in addition to a disciplinary compliance action by the Company to remove non-compliant or offensive material from the internet that relates to the Company, its officers, directors, employees, Associates, trademarks, proprietary property, products or business. Sanctions for a disciplinary compliance action are set forth in Section 6.12.13, and range from a warning to termination of the Associate.

2.14. Company Website Usage Guidelines

The Company may provide Associates access to password-protected internet website information. This information is intended to serve as a communication tool for Associates only. Associates may not use portions of the password-protected site for recruitment and the sale of products. Associates may not give their password to any individual for the purpose of accessing the website information. Any misuse of this privilege will result in disciplinary action in accordance with the Associate Disciplinary Procedure.

2.15. E-mail Correspondence

- 2.15.1. Associates may use email to communicate Company information. Associates are 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. Violations will be handled through the Compliance disciplinary procedure.

- 2.15.2. 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.
- 2.15.3. 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.
- 2.15.4. Associates must always comply with local and federal regulations, including but not limited to the CAN SPAM Act. Associates are strictly prohibited from sending unsolicited email (i.e., email blasts or "spam") and posting electronic messages on internet bulletin boards to advertise the Company, Compensation Plan and the products. If Associates participate in social media or chat rooms, they do so at their own risk and are solely responsible.
- 2.15.5. Associates are prohibited from buying email address lists and sending unsolicited materials to unknown individuals who have not granted permission.
- 2.15.6. When Associates opt-in at the time of enrollment (or thereafter), the Company may notify the Associate via email (in the event the Associate has provided their email address) of upcoming events or general information. If they do not want to receive this correspondence, Associates must contact the Associate Relations Department at the email address provided in the document.
- 2.15.7. Associates may include links or references to their Personal Mannatech Website 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 sources that include disease references, personal testimonials, income claims and the like.
- 2.15.8. Associates may not use MyMannatech, the Success Tracker™ program, their Personal Mannatech Website email address or other Company business tool or system to email, post, download, access, store or distribute any material that is (1) obscene, offensive, threatening, knowingly false or defamatory or which otherwise violates or encourages others to violate any law or (2) injurious to the Company's reputation, embarrassing to the Company or disparages the Company's products, management or Associates.

Furthermore, Associates may not use MyMannatech, the Success Tracker program, their Personal Mannatech Website email address or other Company business tool or system to broadcast personal messages, to send chain letters, to promote/advertise/offer third-party business opportunities or to transmit or download copyrighted material that is not authorized for reproduction. Violations of this policy may result in disciplinary action.

2.16. Broadcast Fax

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

2.17. Contacting the Media

- 2.17.1. All media inquiries (radio, television, newspapers, magazines or any other periodicals or media) are to be referred to the Executive Director of Marketing. Associates who contact the media directly or indirectly to participate in any fashion are strictly prohibited from discussing the Company, products, business or Compensation Plan, or to provide testimonials of any kind. Associates are not authorized to represent the Company if contacted by the media.
- 2.17.2. Personal Appearances. Associates are prohibited from representing the Company either directly or indirectly on television, cable television or radio without prior written permission from the Company.
- 2.17.3. Public Relations: Associates 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.
- 2.17.4. 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.

2.18. Trade Shows and Expositions

- 2.18.1. Associates may conduct your Mannatech business at trade shows, expositions or other public forums.
- 2.18.2. An Independent Associate is responsible for securing all approvals, admissions, floor space, etc., in

conjunction with participation at said events.

- 2.18.3. An Independent Associate must be physically present at his booth at all times during an event.
- 2.18.4. Only materials which does not violate 2.7., 2.8., or 2.23. of these Policies and Procedures may be displayed and Associates must identify themselves as a "Mannatech Independent Associate"

2.19. Retail Sales

- 2.19.1. 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.
- 2.19.2. Associates may sell or display Company products in (1) offices or other areas located in a private club that are not accessible to, or in view of, the general public; or (2) private offices of professionals who operate by appointment only, including but not limited to, beauty salons, spas, medical offices and dental offices. The Associates 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. Associates are solely responsible for
- 2.19.3. Associates may not sell or display Company products in a permanent retail establishment. Examples include, but are not limited to department stores, beauty supply stores, supermarkets, drug stores, newsstands, health food stores, vending machines, mall carts and flea markets.
- 2.19.4. Associates may 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 display case, behind a counter, in a separate room or are otherwise not accessible in a self-service environment.
- 2.19.5. Mannatech products are intended for self-consumption, and to be sold to consumers through personal relationships, business events demonstrations, online, and sold to preferred and retail customers. Associates may determine the sale

price of products for their customers. The Retail prices set by the Company are recommended prices only. However, Associates are prohibited from marketing any products for less than Mannatech's listed pricing in a public forum. By way of example a "Public Forum" includes the Associate's external website, social media, and tradeshows. Acceptable forms of direct or private marketing might include emailing a private list of personally enrolled customers or offering a special inside of a private Facebook group. Associates may post general announcements for their own promotions on their social media and personal websites: For example: "Exciting Promotion! Direct message me for details!"

- 2.19.6. For the protection of the consumer, re-labeling or in any manner altering the label on any Company product is prohibited. Additionally, repackaging or refilling products is also prohibited. Participation in this activity may lead up to potential criminal charges and civil damage claims.
- 2.19.7. Associates must supply all retail customers with a properly completed sales receipt in a format applicable to their 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.
- 2.19.8. Associates must inform the buyer of their cancellation rights at the time of the sale. Associates 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 the Associate's behalf, refunds will be deducted from commissions and the Associate may be subject to disciplinary review.
- 2.19.9. Sales of Unlisted Products by an Associate. Only those products listed in Company-produced materials as approved for use in Canada may be promoted or sold. You should not imply that you can supply Company products that have not been approved for distribution in Canada. (See also 5.4. Canadian Orders/Registration)
- 2.19.10. Retail Customer Return Procedures:
 - 2.19.10.1. If the retail customer purchased products directly from the Company, Mannatech will process the return on behalf of the Associate. The retail customer must contact Customer Care 800-281-4469 to obtain a return Authorization request number and from within thirty (30) days of the purchase date.

- 2.19.10.2. If the retail customer purchased products from an Associate, the Associate is obligated to honor the buyer cancellation rights and the thirty (30) day satisfaction return guarantee. Upon receipt of the products and proof of refund to the Customer, the Associate may return used product to Mannatech for exchange following the procedures found in 5.12.

2.20. Promotion of Product for Animal Use

Company products are designed for human consumption/application only. Promotion of these products for animal use is therefore prohibited.

2.21. Misrepresenting the Company

- 2.21.1. Presenting the Company, Career and Compensation Plan, employees or products in a deceptive, fraudulent, slanderous or misleading way will result in disciplinary action that may include termination.
- 2.21.2. Associates are prohibited from referencing research or publications that were conducted by or financed by Mannatech without clearly and conspicuously disclosing Mannatech's participation in the research.
- 2.21.3. Associates are prohibited from referencing research or publications that were conducted by, financed by or otherwise controlled by a Mannatech Independent Associate without clearly and conspicuously disclosing that the research/publication was conducted, financed by or otherwise controlled by a Mannatech Independent Associate who receives compensation from the sale of Mannatech Products.
- 2.21.4. Associates are prohibited from referencing a publication that is directly or indirectly represented to be a scientific publication, published by a Mannatech Independent Associate, without clearly and conspicuously disclosing that the publication is controlled by a Mannatech Independent Associate who receives compensation from the sale of Mannatech products.
- 2.21.5. Associates are prohibited from referencing research or publications of the Fisher Institute without clearly and conspicuously disclosing the Independent Associate status of the Fisher Institute at the time the research was conducted or the publication was published.

2.22. Compensation Plan and Income Earnings Misrepresentations

- 2.22.1. Opportunities for income under the Compensation Plan are determined by many factors, including the ability and perseverance of the individual. Associates 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 and 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 the sale of products. Misrepresentation of income earnings or compensation Plan includes, but is not limited to, the following examples:

- 2.22.2. Reviewing the Compensation Plan with any person without clearly stipulating that commission is not received solely for enrolling or sponsoring new Associates.
- 2.22.3. Reviewing the Compensation Plan with any person without informing them of the initial \$49.99 application fee (enabling them to become an Associate). see 4.11 Renewal.
- 2.22.4. Reviewing the Agreement with prospective Associates without presenting all entry and upgrade levels, explaining the differences between Preferred Customer and Associate options before new recruits sign the Application and Agreement.
- 2.22.5. Reviewing the Subscription details without disclosing that setting up a Subscription is optional, generates once a month, is automatically charged to the credit card provided or debited from their bank account and that the products selected are shipped directly to the address provided each month until the Company is notified in writing, or by phone, to discontinue the Subscription.
- 2.22.6. Representing, either directly or by implication, that all participants who enter into the business will succeed.
- 2.22.7. 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 cheques to represent potential earnings).
- 2.22.8. Misrepresenting the cost amount that an average Associate might expect to incur in carrying on the business. Providing a compensation disclosure is required and provides a new Associate an understanding of actual earnings.
- 2.22.9. Misrepresenting the amount of time an average Associate would have to devote to the business in order to achieve income or Leadership Ranks. An Associate may not 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.

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

2.23. Product Claims and Misrepresentations

- 2.23.1. Associates 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:
- 2.23.2. 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.
- 2.23.3. 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.
- 2.23.4. 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.
- 2.23.5. 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.
- 2.23.6. Use third-party individuals, business entities and/or organizations (such as Mannatech Members, Fisher Institute, etc.) in any deceptive or misleading manner in connection with the promotion of Mannatech products.

2.24. Company Events

- 2.24.1. The Company will offer events during the course of the calendar year to provide training opportunities for

Independent Associates, offering information on new and existing products, new marketing and training tools, business-building techniques and education regarding compliance with the Associate Policies and Procedures. Independent Associates are strongly encouraged to attend all events sponsored by the Company.

- 2.24.2. While a Company event is in session, Associates are prohibited from recording (by audio, video, photo, electronic or otherwise) the speeches or the visual aids used with speeches. The Company may provide written materials and post materials on its website for use by Independent Associates.

2.25. Conduct Detrimental to Mannatech

If an Associate engages in conduct which Mannatech determines to be detrimental to the Company, Mannatech shall implement sanctions. The severity of the sanction imposed shall be established by Mannatech and shall range from placing the Associate on probation up to and including the termination of the Associate's Agreement with the Company.

3. International Policies

3.1. How to Conduct Business Internationally

- 3.1.1. Countries of Operation. Mannatech is authorised to conduct business in the countries set forth in Countries of Operation. Except as specifically allowed herein, Mannatech Independent Associates may not conduct business (promoting the Company and/or selling products) in countries other than the approved Countries of Operation.
- 3.1.2. Products Offered for Sale. Product offerings may differ from country to country. Mannatech Independent Associates shall only offer products specifically approved and labelled for use in the specific Country of Operation. Please refer to the product list for each country of operation.
- 3.1.3. Pre-Launch Activities. When Mannatech determines it will open a new country for business it will issue a press release and will formally set the date the new country will open. The Company will also post an online document establishing the pre-launch guidelines Mannatech Independent Associates must follow in connection with opening the new country, including (but not limited to) when pre-launch activities may begin, the approved product lists, pricing, marketing and compensation plan materials, as well as meeting and advertising guidelines. The Pre-Launch guidelines will also specify actions which Mannatech Independent Associates are precluded from undertaking during the pre-launch.

- 3.1.4. Observance of Country Laws. Associates are required to follow all laws, tax laws, immigration 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 accept the sole responsibility to conduct your independent business lawfully within the Country of Operation.

- 3.1.5. Travelling in Other Countries. When travelling in a country other than a Country of Operation, Mannatech Independent Associates 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 of countries where Mannatech does not conduct business;
- Conduct opportunity meetings; and/or
- Promote international expansion via the Internet or in promotional literature.

- 3.1.6. If an Associate is found to be in violation of an International Policy, they will be subject to the Associate disciplinary procedure under Section 6 of these Associate Policies and Procedures.

3.2. Gift of Products

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

3.3. International Sponsoring

- 3.3.1. Only Associates in good standing may act as an International Sponsor. The Company, at its sole discretion and to ensure successful endeavors when opening a new country, may reject, at any time, an Associates international distribution and sponsoring rights upon written notice to their last known address.
- 3.3.2. An Associates right to act as an International Sponsor or to receive commissions in a Country of Operation may be revoked at any time if the Company determines that they have not conducted themselves in accordance with the terms and conditions contained herein or the governing laws of the Country

of Operation.

- 3.3.3. Associates have no authority to take any steps towards opening a new market. 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. Associates agree to indemnify the Company for all costs incurred by the Company for any remedial action needed to exonerate the Company in the event they have improperly acted purportedly on behalf of the Company.
- 3.3.4. The Company reserves the right to establish additional Policies and Procedures that are applicable to a specific country. Associates who conduct business internationally agree to abide by all special policies established by the Company for the specific Country of Operation.

3.4. Country Relocation

Associates relocating to other countries of operation should contact the in-country Customer Service department to receive the country-specific information regarding relocation procedures (see Country Relocation Procedures document).

4. Sponsorship Business Rules

4.1. Rights to Choose Sponsorship

- 4.1.1. A prospective applicant has the right to choose his or her immediate line of sponsorship. Implied loyalty to an individual who made the initial Company introduction does not obligate one to accept that individual's sponsorship. (For example, prospective applicants are not obligated to be sponsored/enrolled by someone who merely provides a Company video or other promotional material.) The Company does not have an obligation to settle or be a part of any disputes concerning sponsorship (or agreements in connection with sponsorship bonuses). The Sponsor/Enroler of a new Associate will be the Associate indicated in the Associate Application and Agreement signed by the prospective applicant and 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 the account number is assigned, Sponsor or Enroller changes are only permitted if the Company is notified in writing by the new Associate or the Enroller. See section 4.3 and 4.4.

4.2. Inducements to Select a Different Sponsor

- 4.2.1. Notwithstanding the Rights To Sponsorship Policy, it is

against Company policy to induce, persuade, recruit 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. Associates 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. Associates must provide the Company with valid Sponsor and Enroller details at the time the application (this includes telephone applications) is submitted. Applications received without Sponsor and Enroller information will be returned to the applicant unprocessed. Sponsors and Enrollers must be in the same leg of an organization. Applications received with either a Sponsor or Enroller will be processed making the Sponsor and Enroller the same person. The Company is not responsible for contacting the applicant or the upline to verify the information provided. Revenue Canada requires that we report your annual income exceeding a set dollar value.
- 4.3.2. All Associates can request sponsor changes for their newly enrolled Associates.
- 4.3.2.1. New Associates or the Enroller of the new account can submit sponsor change requests by email within the same Qualification Period of the original enrolment date.
- 4.3.2.2. After the Qualification Period ends, the Enroller must submit the Sponsor Change Request Form for sponsor change within three (3) full Qualification Period from the enrolment date ("Grace Period").

4.4. Changing Lines of Sponsorship

- 4.4.1. The Company will permit changes in the line of sponsorship in the following circumstances:
- 4.4.1.1. The Sponsor Change Request Form is received

during the Grace Period;

- 4.4.1.2. All required signatures are obtained and all requested documentation is received;
- 4.4.1.3. Where an Associate has been fraudulently induced into joining the Company; or
- 4.4.1.4. Where, due to Company error, the sponsor has been entered incorrectly into the Company database.
- 4.4.2. All new sponsored and enrolled Associates can be repositioned within the Enroller's organizational downline team once anytime during the Grace Period. If the request is made after the end of the month but within the Grace Period, the Enroller must submit the written consent of the current Sponsor and the additional signatures as required on the Sponsor Change Request Form. Only one sponsor change is allowed per Account. Any commissions previously paid out will not be paid to the new Sponsor of the account.
- 4.4.3. Any sponsor change request submitted after the Grace Period, will be considered a downline restructure request. All downline restructure requests must be received by the General Manager/Regional President of each country of operation before the request proceeds to the review process. The written request should outline the business reason for the downline restructure. All requests are subject to final approval from Mannatech corporate office. The Company maintains the right to refuse request if circumstances violate other Policies, Procedures and Incentive Rules of the Company. For more information and instructions, contact customer service at custserv@mannatech or the downline restructure coordinator at downlinerestructure@mannatech. See the Downline Restructure Request Form located in Mannatech Resource Library.
- 4.4.4. If an Associate terminates their position in writing, they may rejoin under a line of Sponsorship of choice after six (6) months. 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, Associates may not hold meetings, attempt to enrol new Associates or sell product. If an Associate is found to be actively pursuing the business during the termination period, the Company may reject their Application and refuse to allow the inactive Associate 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 with company approval.

- 4.4.5. Associates may sign up in a new position under a different Sponsor if there has been no activity in the original position for the previous six (6) months. As an inactive Associate, do not refer to yourself as a Mannatech Independent Associate or hold or participate in educational or promotional meetings. These Associates must discontinue using any materials bearing the Company logo, trademark or service mark(s), continue to communicate with the Company, attempt to Sponsor or Enroll new Associates or otherwise sell Company products(s). If an Associate is found to be actively pursuing the business during the inactive period, the Company can refuse their application under a new line of sponsorship. Associates must complete and submit a Voluntary Termination Notice 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. Associates are not permitted to persuade, use a tactic, or attempt to persuade any other Associate to terminate their enrollment with the Company in order to join their downline (see 4.2.1).
- 4.4.7. The Company may assume any inactive or terminated position and transfer the position to another party.

4.5. Sale and Transfer of Associate Positions

- 4.5.1. Sale of an Associate Position an active Associate may sell their position to another individual or entity with prior written approval of the Company. To sell a position, an Associate must first notify the Company of their intent to sell at saleofposition@mannatech.com, be in good standing, satisfy all debts, obligations and fees owed to the Company, and not be in violation of any term of these Policies and Procedures. In order to preserve the line of sponsorship, the selling Associate must offer to sell his or her Associate Position in the order of priority stated below, and the Associate interested in purchasing the position must be in good standing and meet the terms of these Policies and Procedures. The parties must submit the Position Sale form to the Company for its prior written approval and pay a transaction-processing fee. Additional terms, conditions and information regarding the position sale process are included on the form.
- 4.5.2. Option to Purchase: The first option to purchase belongs to the Enroller of the position being sold by the selling Associate. If the Enroller declines the offer to purchase or is otherwise inactive or not in

good standing, then the second option to purchase belongs to the first Qualified Presidential Associate upline to the Enroller. If that Presidential declines the offer or is inactive or not in good standing, then the selling Associate may offer to sell the position to any other Associate upline who meets these conditions or any individual or entity with the sufficient skills and resources to operate the position.

- 4.5.3. Expert Opinion: It is encouraged that both parties engage a third-party expert to assess the fair market value of the Associate Position being sold. Upon written request, the Company may be able to provide a recommendation for a service provider. The Company is not responsible for the cost for the service or the expert opinion.
- 4.5.4. Placement: When an Associate position is sold, it will remain in its same placement within line of sponsorship. If the acquisition of the new Associate position places the purchasing Associate in conflict with the Multiple Position rule under section 4.7 of these Policies and Procedures, the purchasing Associate must terminate or otherwise transfer one of the original positions.
- 4.5.5. Transfer of Inactive Associates Positions: The Company may transfer an individual or entity into an inactive or terminated position. The Enroller of an inactive position may request to position transfer an existing upline Associate, or an existing first level Associate, or a new Associate into the inactive position. If the Enroller of the position is inactive or otherwise not in good standing or in compliance with these Policies and Procedures, the first Qualified Presidential Associate upline to the Enroller may initiate a position transfer request. The Associate requesting the position transfer must complete a Position Transfer Form and submit it to the Company for its approval and pay a transaction-processing fee. Additional terms, conditions, and information regarding the position transfer process are included on the form.
- 4.5.6. Inactivity: An Associate position is inactive if there have been no purchases for six (6) consecutive months and the Associate has not renewed his or her account with the Company.
- 4.5.7. Voluntary Termination: If an Associate voluntarily terminates a position or if the position is terminated for failing to comply with these Policies and Procedures, the terminated position may be eligible for a position transfer by the original Enroller of the terminated position or the first Qualified Presidential

Associate upline to that Enroller as set forth in 4.5.5 above. A terminated position is eligible for a transfer if the position has remained terminated for six (6) consecutive months. Positions terminated by the Company for disciplinary reasons are only eligible for a transfer at the Company's sole discretion once the six (6) month period has elapsed.

- 4.5.8. Whether by sale or position transfer, the new owner of the position must sign the current Associate Agreement and comply with these Policies & Procedures. If found to not be within the best interest of the Associate or Company, the Company may deny a request, or impose certain terms upon and approval. The Company will not authorize the sale or transfer of a position from one Country of Operation to another. The position must remain in the Country of Operation in which it originated.

4.6. Inheritance of Associate Positions

- 4.6.1. Upon the death of an Associate, all rights to the Associate's position, including rights to commissions, bonuses and Associate responsibilities, shall pass to successors as stated in the Associate's will or as otherwise ordered by a court of competent jurisdiction. In the event the Associate had no will, the rights to commissions, bonuses and Associate responsibilities will be transferred according to the intestacy laws of the jurisdiction of the decedent's estate as provided by a valid court order. In order to receive transfer, the inheriting party(ies) must provide a certified copy of the Associate's death certificate or any other documentation required by the Company to evidence the true successor (including but not limited to a court order, copy of the Will, Letters Testamentary in the event there is a Will and/or Letters of Administration in the event there is no Will).
- 4.6.2. The heir(s) must fulfill all responsibilities of the Associate position and must sign the then-current version of the Associate Application and Agreement. The heir may inherit and retain another Associate position even though the heir(s) already operates an existing position.
- 4.7. Multiple Positions
- 4.7.1. An Associate and spouse may have an independent position and a third position as a sole proprietorship, corporation, partnership or trust. All of these Positions must be in the same downline organization of the first position owned.
- 4.7.2. In regard to account division, if a married couple divorces, the Company will abide by a final order of a court of competent jurisdiction. 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 cheques with the applicable court of competent jurisdiction in the event of a dispute between the spouses as to earnings.
- 4.7.5. A single individual may hold two positions. One position may be an independent position and a second position may be a sole proprietorship, corporation, partnership or trust. All of these positions must be in the same downline organization of the first position owned.

4.8. Cross-Sponsoring of Spouses/Household Members

- 4.8.1. Associates may not circumvent their original line of sponsorship by joining another downline organization or a different leg by sponsoring their self, spouse, dependent children, a household member ("related party") or any business or company operating under a business name (DBA) in which the Associate and a related party have a direct or indirect ownership interest. Husband, Wife, DBA household members, partners and 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 the Associate will be instructed to work exclusively in the original position. Neither the cross-sponsored position nor the downline organization will be moved. If the Sponsor or Enroller is found to have knowingly or willingly encouraged the cross-sponsoring, the Sponsor or Enroller will be subject to further disciplinary action in accordance with the Compliance Disciplinary Procedure.
- 4.8.3. In the event this policy is violated, one may not participate as a partner, consultant of another position until after six months.

4.9. Unauthorised Recruiting of Associates and Sale of Competing Products

- 4.9.1. If an Associate elects to participate in another direct selling, network marketing, or multilevel marketing business, The unauthorized recruiting activities listed below apply. In these Policies and Procedures, the term "participate" means recruiting or engaging in

any other business building activity for the purpose of earning commissions and bonuses or other form of financial gain under another Direct Selling company's business or compensation plan. Simply purchasing products as a mere consumer for your own personal use (or your family's use) from another Direct Selling company or purchasing products to qualify for commissions under another Direct Selling business' compensation plan does not constitute participation in another Direct Selling company's business or compensation plan. The Company reserves the right to deny Associates who participate in another direct selling business access to confidential information, including but not limited to the downline reports included in the Success Tracker program.

- 4.9.2. Associates shall not sponsor or recruit Company Associates into any other Direct Selling business. The term "recruit" means actual or attempted solicitation, enrollment, encouragement or effort to influence in any other way, either directly or through a third party, another Associate or Preferred Customer to enroll or to participate in another Direct Selling business.
- 4.9.3. Associates shall not use any Company or Associate produced materials (regardless of medium) or Company incentives to recruit prospects or customers for another Direct Selling opportunity. Associates shall not produce promotional materials (regardless of medium) that include references to the Company, its products, compensation plan or training systems to recruit prospects or customers into another Direct Selling opportunity.
- 4.9.4. Associates shall not sell, offer to sell, or promote non-competing or competing products to fellow Associates or Preferred Customers. A "competing products" is a reference to a product that is in the same general category as a Company product. For example, any dietary supplement is in the same general category as any of the Company's dietary supplement products and is therefore a competing product. This applies regardless of any difference (perceived or otherwise) in price, quality, ingredient, efficacy or nutrient content. [NOTE: In accordance with section 2.19.2., Chiropractors, Estheticians and Naturopaths may sell Company products in a private or professional office setting.]
- 4.9.5. For a period of one (1) year following termination of the Agreement, Associates shall not recruit any Company Associates into another Direct Selling business.
- 4.9.6. The downline organization ("Confidential

Information") as described in 4.13 is Mannatech's own property. Associates shall use the "Confidential Information" only in relation to Mannatech business activities.

4.10. Presidential Director Ambassador Program ("Ambassador Program")

- 4.10.1. Once an Associate reaches the Presidential Director leadership level the Associate may be eligible to join the Presidential Ambassador Program as a "Presidential Ambassador." Participation in the Ambassador Program is not mandatory. In order to participate, an acknowledgment form affirming that you are in compliance with this Section 4 (inclusive of all subsections) will be required. Once the signed acknowledgment form is received by the Company, then the Associate is entitled to receive certain bonuses (as defined in Mannatech's Compensation Plan), recognition and other benefits and access to proprietary information not available to other Company Associates. Participants may be required to sign a new acknowledgment form during a Company event or as requested by the Company.
- 4.10.2. If you elect to participate in another Direct Selling (Please see Section 4.9 for the definition of "Direct Selling") business in accordance with the terms of Section 4.9 and continue to participate in that Direct Selling business while at the Company's Presidential Director leadership level, then one is ineligible to participate in the Company's Presidential Ambassador Program and receive its benefits, which is subject to the Presidential Associate's adherence to the terms and conditions set forth below.
- 4.10.3. A participant shall not become an owner, officer, director, employee, consultant, contractor or subcontractor, directly or indirectly, of any other Direct Selling company. Questions regarding your compliance with this Section 4.10.3. may be submitted to the Company on the Presidential Ambassador Disclosure Form available on mannatech.com under Resources. A determination as to whether or not an Associate's status with another Direct Selling business is compliant under this Section 4.10.3. will be made by the Company on a case-by-case basis.
- 4.10.4. A participant shall not, directly or indirectly, build a downline or otherwise recruit Company Associates or Preferred Customers in or for another Direct Selling business for yourself or any other party. This provision includes opportunities to participate in new Direct Selling businesses and in any Direct Selling businesses you participate in at the time an Associate becomes

a Presidential Director of the Company. (Please see Section 4.9.2. for the definition of "recruit" and Section 4.9.1. for the definition of "participate.")

- 4.10.5. A participant shall not attempt to subvert or otherwise avoid the spirit and intent of these rules through the use of "ghost" accounts (an account using an alias or fictitious name designed to hide or obscure the true name of the individual holding the account), trust accounts, spouses, life partners, relatives or members of the same household.

- 4.10.6. Participants who are found in violation of these policies will forfeit program participation benefits and sanctions may lead up to termination as stated in section 6.12.13.

4.11. Renewals

- 4.11.1. Associates will retain their status for a period of one year coinciding with their anniversary date and will be required to pay \$49.99 each year for an account renewal. Renewals must take place within 60 days following the expiration of the enrollment anniversary (original application enrollment date). Non-renewed Associates are not eligible to earn commissions or participate in Mannatech's incentive programs. For more information, review the Compensation Plan located in the Mannatech Resource Library.
- 4.11.2. If the account is not renewed within 90 days following the expiration of the enrollment anniversary, and has not reached Director status, the account will be reclassified as Preferred Customer. If the account has reached Director status or above, is not renewed, and products have not been ordered under the account for six (6) months, the Enroller may transfer the position to another individual in accordance with the sale or position transfer policy.
- 4.11.3. Associates are prohibited from renewing positions without the effective consent of the person or entity owning the position.

4.12. Downline Reports

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

Associates and is subject to Policy 4.13.

4.13. Confidential Proprietary Company Information/Reports Provided to Associates

- 4.13.1. 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:
- 4.13.2. Confidential Information, in the nature of a trade secret, shall not be disclosed, released, sold, or reproduced to any other person (including any company or person in competition with the Company). Associates shall take all reasonable steps to protect and maintain the security of the information and use the details solely for the benefit of the business of the Company and for the stated purpose for which they were provided.
- 4.13.3. Associates shall not, during the term of the Agreement, or for a period of two (2) years thereafter take or encourage any action which would circumvent, breach, interfere with or diminish the value of benefit of the Company's genealogies.
- 4.13.4. The Company may seek injunctive relief or any other remedy available at law to protect its Confidential Information. You shall use the Confidential Information only for your Mannatech business.
- 4.13.5. The Company will suspend Associate access to its Confidential Information during any Associate Disciplinary proceeding, and thereafter.
- 4.13.6. The Company may place the Associate's account on hold during the investigation of an alleged violation of the Policies and Procedures. Should the Company place an account on hold during and investigation and after the investigation is closed, the results of the investigation show that the Associate was not in violation of the Policies and Procedures, the Company will release the Associate commissions generated during the time the account was placed on hold.

4.14. Qualification Period

- 4.14.1. Qualification Periods end on the last calendar day of each month.
- 4.14.2. Commissions of less than \$5.00 will be carried to the next pay period. All commissions are paid in U.S. dollars.
- 4.14.3. Commissions earned amounting to less than \$5.00 in a calendar year will be forfeited after one year.
- 4.14.4. No commissions, bonuses, or incentives will be paid until the Company receives the signed application, or, when registering electronically, the e-signature of the Associate accepting the Terms and Conditions.
- 4.14.5. The preferred method of payment of commissions is via direct deposit which can be applied for online or by submitting the Direct Deposit Form.

4.15. Income Taxes

Associates are an independent contractor. The Company does not deduct personal taxes from your commission cheques. At the end of each calendar year, the Company will provide you and your appropriate taxing authorities with all income information required by law.

4.16. Commission Research Requests

- 4.16.1. All commission research inquiries must be submitted in writing to the Company within 45 days of the cheque in question.
- 4.16.2. 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 authorisation 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.
- 4.16.3. Only Company errors will be recalculated without written authorisation from the upline.
- 4.16.4. The Company may withhold any money 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 money owed to the Company or to other Associates.

5. Operations ordering, Product Returns,

Refunds and Shipping

5.1. Ordering Options

- 5.1.1. Telephone orders will be accepted with credit card payment or cheques. Call the Company at (800) 281-4469 to order. Do not mail the hardcopy of the order to the Company when ordering by telephone.
- 5.1.2. To order by e-commerce, enter the order via the Mannatech web site at mannatech.com. Payment option is credit card only.
- 5.1.3. To order by fax, fax the completed Product Order Form, including credit card information or a completed Cheque Via Fax Authorisation Form, to (800) 267-2722. Do not mail the hardcopy of order to the Company.
- 5.1.4. To order by mail, send a completed Product Order Form with credit card information, cheque (U.S. only), cashier's cheque or money order in U.S. funds to: Mannatech Incorporated
1410 Lakeside Pkwy, Suite 200
Flower Mound, TX 75028

5.2. Mail Orders

- 5.2.1. 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 Qualification Period in which the payment is received and approved. If more than one completed order form is included in a mailing, one cheque for multiple orders is possible.

5.3. Subscription Orders

- 5.3.1. Associates may participate in the optional Subscription Order Program upon enrollment. Simply complete the Subscription Order Form or place the order by phone at (866) 717-2175 and identify the products to be automatically shipped each month. The Company will then debit your credit card or other payment option for the amount of the product order and applicable taxes until the Associate provides the Company with instructions to discontinue the Subscription Order. Associates must provide an updated expiration date for their debit or credit cards to continue to receive Subscription Orders.
- 5.3.2. Once initiated, the Subscription Order will remain in effect until terminated by the Associate in writing or by calling (866) 717-2175. Associates can cancel their order at any time.
- 5.3.3. Associates may make changes to the Subscription

order via the Internet or by calling (866) 717-2175.

- 5.3.4. Subscription Orders are recurring orders that are set to generate on the day of the month you select. In order to ensure timely qualification and delivery, order can be pulled 3-5 business days prior to the scheduled generation date.
- 5.3.5. The Company must receive any, card updates, changes or terminations for the Subscription Order in writing, by phone or online, 3-5 business days prior to the scheduled generation date.
- 5.3.6. In the event that an Associate does not take the necessary steps to cancel their Subscription Order and they refuse to accept delivery of items causing the order to be returned to the Company, the ordering Associate must defray the costs of both shipping and returning the order. In the event that this Associate wishes to make another Subscription Order, the Company may not process the Subscription Order request until the Company has been reimbursed for the cost of the previous returned Subscription Order.
- 5.3.7. Participation in the program does not relieve Associates from compliance with the 70/30 rule as provided herein. See 5.10 and 5.12.

5.4. Canadian Orders/Registration

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

5.5. Payment Options

- 5.5.1. All payment for products and materials must be in U.S. funds. Acceptable methods of payment include cash for storefront orders only, personal cheque (drawn on U.S. banks or Canadian banks in U.S. funds only), Company-accepted credit cards/debit cards and the following which must be payable in U.S. funds: cashier's cheques, certified cheques and money orders. Do not mail cash. The Company does not accept COD (cash on delivery) orders.
- 5.5.2. Personal Cheques. U.S. funds only to be accepted by the Company. An Associate's cheque must be imprinted with their name and address. A service

charge will be added to the collection total of any cheque returned to the Company. The Company can accept cheques or money orders payable in U.S. dollars only.

5.6. Returned Cheques

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

5.7. Credit Cards

- 5.7.1. 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 Subscription Orders and changes). Associates may only use credit cards belonging to them or for which they are authorised users. Associates who are found to process orders without the consent of the cardholder are in violation of federal and provincial laws and will be subject to immediate termination. Any Associate causing an unwarranted charge back to the Company due to an unauthorised transaction will be subject to immediate termination. Credit card disputes must be presented to the Company in writing within one year from the date of transaction.

5.8. Sales Tax

- 5.8.1. Associate(s) will pay GST tax based on the Associate cost, less any applicable discount for Subscription Orders
- 5.8.2. The "Amount Due" on an Associate's Product Order Form is inclusive of sales tax where applicable.

5.9. Purchase for Own Use (Inventory Requirements)

You have no inventory requirements.

5.10. Stockpiling Product

- 5.10.1. Mannatech's Compensation Plan is based on retail product sales. Associates 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. Associates should order only enough products for a month to reasonably fill their needs and retail customer orders. Stockpiling is a manipulation of the Compensation Plan and unfairly leads to one Associate's gain and another's loss.

5.11. Product Sales

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

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

- 5.11.2.1. Personal Point Volume (PPV) requirements to maintain status as specified in the Compensation Plan. "Personal Point Volume" will include an Associates own purchases.
- 5.11.2.2. Associates must develop and maintain customers as stated in the Compensation Plan every month. These customers can be Personal Retail Customers, Subscription Product Order Customers, Preferred Customers or any combination of the three.

5.12. Replacement of Defective Product

The Company will replace any defective product with the same or similar goods within 180 days of purchase. However, no product(s) should be returned to the Company without prior approval. To ensure that replacement of product will be issued, you must comply by following the return procedures found in 5.13.2.

5.13. Satisfaction Guarantee

5.13.1. 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. (Corporate Literature/Mannatech Promotional Materials are not considered products for purposes of the Satisfaction Guarantee. However, Mannatech does allow for the exchange of up-to-date Corporate Literature/Mannatech Promotional Materials. Please refer to Mannatech's Exchange policy 5.13.6)

Participation in the Compensation Plan is optional. Various incentives/programs/awards/trips/special promotions/campaigns, etc (here after "incentives") may have specific return/refund/exchange criteria. Ensure that you read the guidelines/rules for all such incentives. The Company will have the final decision whether any products purchased in order to qualify for commissions/bonuses/incentives are eligible for returns/refunds. Any product return/refund for orders placed by one's downline during incentive periods

(regardless of payee) are also subject to Company approval. Based on the company's decision, this may lead to decreased return/refund/exchange amounts and loss of commissions/bonuses/incentives/ qualifications, etc.

5.13.2. Associate Return Procedures

To return used product for a refund Associates must:

- 5.13.2.1. Contact Customer Service to obtain a Return Authorisation Request Form. Unauthorised returns will not be accepted and the contents may be destroyed.
- 5.13.2.2. Comply with instructions found on the Return Authorization Request Form.
- 5.13.3. Associates are responsible for return shipping costs, any insurance and tracking the return shipment package should it become necessary.
- 5.13.4. Refund requests exceeding \$1,000 are not guaranteed and will require additional approval. Additional conditions may apply.
- 5.13.5. If any downline organization members return product to the company and request a refund due to misrepresentation or any other alleged violations of policy, the Sponsor or Enroller may be subject to the Compliance Disciplinary procedure. If deemed appropriate, the Sponsor or Enroller will refund the company or authorize the company to deduct the full amount refunded to the downline from Associate future commissions. (Also see 5.13.6.)
- 5.13.6. Product Exchanges (This section is not applicable to NFR products. See Section 5.4.) The Company will exchange for equal value any product that is returned in marketable condition purchased within twelve (12) months of the purchase date.
 - 5.13.6.1. Contact Customer Service to obtain a Return Authorization Request Form following the procedures found in 5.13.2.
 - 5.13.6.2. All exchanges will be done on a one-for-one, equal value basis. Opened or dirty bottles will not be exchanged or returned to you. The Company will only exchange unused promotional materials within thirty (30) days of purchase.
 - 5.13.6.3. The Company will pay for the return postage for the product going back to the customer.
 - 5.13.6.4. There is no additional Commissionable Volume (CV) or Personal Point Volume (PPV) on exchanged orders.
- 5.13.7. Returned product has no cash value and will not be credited to your Mannatech account.
- 5.13.8. Refunds to Independent Associates and 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% processing fee. For the purpose of this Policy, Marketable Inventory shall be limited to that inventory returned no later than twelve (12) months after the original purchase date.

5.13.9. Commissions on Refunded Products: Any returned products for refund that entitles an Associate to qualify for incentives or commissions may result in loss of incentive qualification and any commissions earned. If applicable, the Company will deduct commissions paid for refunded products from either the refund amount owed or from future commissions checks.

5.14. Shipping

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

6. Laws, Regulations and Disciplinary Procedures

6.1. Amendments to Policies and Procedures

The Company specifically reserves the right to make any changes it deems necessary to the Associate Agreement, the Policies and Procedures and Compensation Plan (pricing or business feature). Notification of amendments shall be published on mannatech.com or in other Company communications. Amendments shall become effective twenty-one (21) days after publication, but no amendment shall apply retroactively to conduct that occurred prior to the effective date of the amendment. The continuation of an Associate's account or an Associate's acceptance of

bonuses or commissions subsequent to the effective date of any amendment shall constitute acceptance of any amendments or changes.

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. Associates may not represent that the Company or any of its products have been approved or endorsed by any governmental agency.

6.4.2. Associates found to have violated federal, state or provincial law or the regulatory provision of any jurisdiction in the course of conducting your Mannatech business, offering the Company business plan and/or engaging in the sale of any Company products, you will be subject to disciplinary action, up to and including the immediate termination of your Agreement.

6.4.3. Offering of Mannatech Products in Public or Private Schools.
There may be various state prohibitions 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. Associates are required to familiarize themselves with such prohibitions/provisions and comply with same in the course of promoting and conducting their Mannatech business. Associates shall not:

6.4.3.1. Offer for sale, sell, market or distribute Company products or promotional materials to teachers, administrative officials or other employees of any public or private schools on school property during school hours or while those individuals are acting in their capacity as school employees; or

6.4.3.2. Recruit for enrolment as an Associate any teachers, administrative officials or other employees of any public or private schools on school property during school hours or while those individuals are acting in their capacity as school employees.

6.4.3.3. Nothing in this policy precludes teachers, employees or administrative officials acting in their

private capacity as permitted by applicable law form being Mannatech Associates.

6.4.4. Associate Committing a Crime Connected to Mannatech Business.

6.4.4.1. Any Associate who is convicted of or pleads guilty to a criminal act that is in any way related to or occurred in the course of their Mannatech business is subject to disciplinary action, up to and including immediate termination.

6.4.4.2. An Independent Associate charged with criminal activity relating to their Mannatech business may, depending on the nature and severity of the charges, at Mannatech's discretion, be suspended with or without payment of commissions, pending resolution or adjudication of the crime.

6.4.4.3. At Mannatech's discretion, Independent Associates on suspension may not: hold meetings, enrol new Associates, sell product, participate in Mannatech events or incentives or act in any other capacity on behalf of Mannatech during the suspension.

6.4.5. For the purposes 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

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

6.6. This section intentionally left blank.

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 at Corporate-sponsored events. Associates are encouraged to participate in such training prior to and during the course of their Company business.

6.9. Monitoring of Meetings

The Company may conduct anonymous and random monitoring of Associate meetings and/or conference calls and may record the meetings notwithstanding any

admonitions to the contrary. You must follow regulatory guidelines and adhere to the Associate Policies and Procedures when conducting or hosting educational or opportunity meetings.

6.10. Reporting Violations

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

6.11. Resolution of Disputes

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

6.12. Disciplinary Procedure

6.12.1. Allegations of a violation of a Policy (hereinafter referred to as "Issue") may be brought against an Associate of the Company by any of the following as an "Initiator" of the procedure: an employee of the Company, an Associate of the Company and/or any third person who has been affected by the conduct of an Associate. The Initiator will begin the process by completing the Compliance Complaint Form 1 ("F1"). The Issue may be reported via the web at www.mannatech.ethicspoint.com or via telephone by calling 866-292-4946. Notice that a F1 complaint has been filed will be communicated to the Respondent's first upline Presidential and to the Respondent's first upline Bronze Presidential or above.

6.12.2. An "Issue" must be instituted within six (6) months of its occurrence, unless good cause is shown for the delay.

6.12.3. All references in these Policies and Procedures to the "Director of Compliance" shall refer to the officer or employee holding that title or their designee.

6.12.4. The Director of Compliance may determine from the face of the F1 or other evidence pertaining to the allegation, that it does not constitute a violation of any Policy of the Company. The Initiator will be sent a reply to this effect and no other process shall ensue.

6.12.5. The Director of Compliance may determine that the allegations can be substantiated and do not warrant

an investigation, in which case a Warning notice will be sent to the violating Associate directing them to cease the current activity. The Warning will include an agreement that the Associate must sign and return within the allotted time and no other process shall ensue.

- 6.12.6. If the allegations warrant an investigation, a Response Form 2 ("F2"), will be forwarded to the Associate "Respondent" who has allegedly violated the Policy set forth in the Complaint. The F2 is designed to allow the Respondent to provide details of the "Issue," and to clarify the facts for the Compliance Department. Upon receipt, the Director of Compliance will make a determination as to whether a policy violation has occurred and, if so, the issue will be scheduled for Compliance Committee review. If the allegations cannot be substantiated due to insufficient evidence or it is determined that there is no policy violation, all parties will receive a "No Violation" letter to this effect.
- 6.12.7. A Respondent must complete and return the Form 2 (Respondent's Response to Complaint) within ten (10) business days of receipt of a request to do so by the Director of Compliance (or designee). It is presumed that you received the request to fill out a Form 2 no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.12.8. The Compliance Committee (the "Committee") shall be comprised of no less than three department heads selected at the sole discretion of the Director of Compliance. The following individuals may not serve on the Committee: a current member of the Board of Directors or the head of Legal, Ethics and Compliance. Additionally, an individual may not serve on the Committee if to do so would be a conflict of interest.
- 6.12.9. The Initiator shall bear the greater burden of proof. The Complainant and Respondent are responsible for ensuring the Company receives witness statements on his or her behalf.
- 6.12.10. The Initiator must notify the Company in writing in the event he or she wishes to withdraw a complaint.
- 6.12.11. The Initiator and Respondent will each be afforded a reasonable amount of time at the meeting by teleconference to present their respective positions to the Committee. The Initiator and Respondent must supply the Director of Compliance with the correct telephone number at which they may be reached at the scheduled time or a written acceptance or waiver

of his or her desire to orally present a position.

- 6.12.12. The Committee shall consider only written statements and oral position presentations as to the alleged infraction. The decision of the Committee as to the validation and/or disciplinary action imposed (if any) shall be determined by a confidential majority vote.
- 6.12.13. Except as set forth in 6.12.13.10 below, the Committee may impose any one or a combination of the following sanctions:
 - 6.12.13.1. A written Warning clarifying the meaning and application of a specific Policy or Procedure and advising that a continued breach will result in further sanctions.
 - 6.12.13.2. Probation, which may include requiring an Associate to take remedial action and could include follow-up monitoring by the Company to ensure compliance with the Agreement.
 - 6.12.13.3. Suspension of certain Associate privileges, including but not limited to placing product orders, participating in Company programs, progressing in the Rewards Plan or participating as a Sponsor (including participating as an International Sponsor) for a period of time or until the Associate satisfies certain specified conditions.
 - 6.12.13.4. Withdrawal or denial of an award or recognition or restricting participation in Company-sponsored events, either for a specified period of time or until the Associate satisfies certain specified conditions.
 - 6.12.13.5. Withholding commissions or bonuses for a specified period of time or until the Associate has satisfied certain specified conditions.
 - 6.12.13.6. Imposing fines or other penalties permitted by law.
 - 6.12.13.7. Termination of the Associate Agreement.
 - 6.12.13.8. In cases where it is determined by the Compliance Committee that the Independent Associate has made a claim that Company products cure, treat, mitigate or prevent a specific disease (a "Disease Claim Violation"), the Compliance Committee shall make a specific finding whether the Disease Claim Violation was isolated and trivial.
 - 6.12.13.9. If the Disease Claim Violation is found to be isolated and trivial, the Compliance Committee shall impose sanctions set forth in 6.12.13 sufficient to make the Independent Associate aware of the severity of the infraction and to ensure future compliance with the policies concerning disease claims.
 - 6.12.13.10. Unless the Disease Claim Violation is found to be

isolated and trivial, the Compliance Committee shall impose the sanction of termination, mandate a minimum two-year waiting period before the Independent Associate can apply for reinstatement and enter an order that the terminated Associate permanently lose his/her downline and the right to any compensation from that downline.

- 6.12.14. The Committee shall render its decision in a Disposition Notice. The Director of Compliance shall send the Initiator and Respondent the Disposition Notice within three (3) business days of its rendition.

6.13. Disciplinary Appeal Procedure

- 6.13.1. If you have been the subject of disciplinary action (either the Initiator or Respondent), you may appeal the determination of the Compliance Committee contained in the Disposition Notice by submitting to the General Counsel of the Company an appeal in writing outlining your reasoning as to why the disciplinary action is inappropriate and/or any new evidence not available for Committee review. The Appeal must be received by the 30th calendar day after you have received the Disposition Notice informing you of the disciplinary action (the "Appeal Period"). It is presumed that you received the Disposition Notice no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.13.2. All Committee sanctions and recommendations are effective immediately upon receipt of the Disposition Notice.
- 6.13.3. The appeal will be considered by a three-member subcommittee consisting of Vice-Presidential level or above, none of whom were involved in the original Compliance Committee review process (the "Appeal Panel"). The Appeal Panel may not consist of any of the following individuals: a current member of the Board of Directors or the head of Legal, Ethics and Compliance. Additionally, an individual may not serve on the Appeal Panel if to do so would be a conflict of interest. On the confidential vote of the majority, the Appeal Panel may uphold the Compliance Committee decision, refer the Issue back to the Compliance Committee, reverse the decision at its sole discretion or substitute a new finding based upon the evidence.
- 6.13.4. The decision of the Appeal Panel shall be reduced to writing and shall be sent to the Initiator and Respondent by the Director of Compliance within three (3) business days of its rendition. It is presumed that you received the Decision of the Appeal Panel

no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).

6.13.5. Should the decision of the Appeal Panel deviate from the Compliance Committee's Disposition Notice, the Company shall undertake such action as is required to conform to the decision of the Appeal Panel.

6.13.6. The decision of the Appeal Panel is final and is not subject to further review.

6.14. Termination of the Agreement by the Company

6.14.1. In the event the Company terminates your agreement, the Company will notify you by email or recorded delivery mail at your address on file with the Company.

6.14.2. The termination of an Independent Associate is effective immediately upon receipt of the Disposition Notice via recorded delivery to your last known address or when you receive the actual notice, whichever comes first. It is presumed that you received the Disposition Notice no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).

6.14.3. In the event of termination, you must immediately cease representing yourself as an Independent Associate.

6.14.4. In the event of termination arising from a Compliance Committee Disposition Notice, decision of the Appeal Panel or other action initiated by the Company, the Company reserves the right to initiate disciplinary action, up to and including the termination of any other household position, assumed name or DBA, corporation, partnership, trust or any other affiliated positions in which the Independent Associate has a vested interest.

6.14.5. Subject to Company review of all potential claims, once a position is terminated all commissions and/or bonuses otherwise entitled to the terminated position will roll up to the next qualified position.

6.14.6. The Company reserves the right to terminate an inactive position. An "inactive position" is defined as having no activity for six (6) consecutive months.

6.15. Effect of Termination

6.15.1. Upon termination, whether voluntary or Company-initiated, you shall have no right, title or claim to compensation derived from the sales of products in your downline organization or any future bonuses and commissions from sales generated by the

organization. The terminated party:

6.15.1.1. Shall not refer to themselves as a Mannatech Independent Associate.

6.15.1.2. Shall not have the right to sell the Company's products.

6.15.1.3. Must discontinue using any materials bearing any Company logo, trademark or service mark.

6.15.1.4. Shall not continue to communicate with the Company except as required to perfect and pursue an appeal of the termination or to request reinstatement pursuant to 6.17 of these Policies and Procedures.

6.15.1.5. Shall not work for, work with or otherwise assist or be utilized in any capacity by Mannatech Independent Associates in the operation of their business. This includes, but is not limited to, performing any functions in sales, support, promotion or in conducting meetings of any nature related to Mannatech business.

6.15.2. If you are terminated for a Disease Claim Violation pursuant to 6.12.13.10, you permanently lose your downline, the right to any compensation from that downline and must wait a minimum of two years before you may apply for reinstatement.

6.16. Sanctions

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

6.17. Reinstatement after Termination by Company

6.17.1. Except for Independent Associates terminated for Disease Claim Violations, an Independent Associate (individual, entity or otherwise) terminated by the Company (the "Terminated Associate") may not seek reinstatement as a Mannatech Independent Associate until the expiration of 365 days after the effective date of termination.

6.17.1.1. Independent Associates terminated for Disease Claim Violations pursuant to 6.12.13.10 may not seek reinstatement until the expiration of two full years (730 days) after the effective date of termination.

6.17.2. The Terminated Associate shall submit a written request for reinstatement to the General Counsel of the Company. The request should outline the reasons for reinstatement and shall be accompanied by a fully executed Associate Application and Agreement (as set forth in 1.3.1 of these Policies and Procedures).

6.17.3. The request shall be considered by the Appeal Panel (as established in 6.13.3 of these Policies and Procedures). On the confidential vote of the majority, the Appeal Panel shall either approve or reject the request for reinstatement.

6.17.4. The decision of the Appeal Panel shall be reduced to writing and shall be sent to the Terminated Associate by the Director of Compliance within three (3) business days of its rendition. It is presumed that the Terminated Associate received the decision of the Appeal Panel no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).

6.17.5. If the request for reinstatement is rejected, the Terminated Associate must wait an additional 365 days before making another request for reinstatement.

6.17.6. If the request for reinstatement is approved, the Terminated Associate becomes a new Independent Associate. The Terminated Associate does not return to the position held prior to termination.

6.18. Indemnification

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

6.19. Arbitration and Governing Laws

The Associate Application and Agreement is governed by the laws of the State of Texas. You and the Company agree that any claim, dispute or other difference between the Independent Associate, its owners, officers, employees, agents and/or partners on the one hand and the Company, its owners, officers, employees and/or agents on the other hand shall be resolved exclusively by binding arbitration pursuant

to the Commercial Arbitration Rules of the American Arbitration Association, including those rules providing for emergency or extraordinary relief and judgment on the Award rendered by the arbitrator(s) may be entered in any court having competent jurisdiction thereof. Each Independent Associate and the Company hereby agree to exclusive venue and to personal jurisdiction in Dallas County, Texas, for the resolution of any claim, demand or cause of action between the Associate and the Company. You and the Company further agree that the Company, in its sole discretion, reserves the right to invoke this section at any point in the disciplinary process of the Independent Associate.

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

Index to Updates and Changes to Canada Policies and Procedures

As of January 15, 2015

There are changes to the following:

- 1.2.12. Independent Associate
- 1.7.5. Voluntary Termination
- 4.9.4 Unauthorised Recruiting of Associates and Sale of Competing Products
- 4.9.8. Presidential Director ambassador Program
- 6.12.1. Disciplinary Procedure

As of April 28, 2015

There are changes to the following:

- 4.1.2. Right to Choose Sponsorship
- 4.3.1, 4.3.2.1 Sponsor and Enroler Information
- 4.4.1., 4.4.2, 4.4.3. Changing Lines of Sponsorship

As of May 18, 2023

A new document has been provided.

