



POLICIES & PROCEDURES - ASSOCIATES

GUIDELINES FOR MAKING THE MOST OF YOUR MANNATECH BUSINESS



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- 1. GENERAL INFORMATION**
- 1.1 ASSOCIATE POLICIES & PROCEDURES**
 The Policies and Procedures (“Policies and Procedures”) are hereby incorporated by reference and are an integral part of the Australian Associate Application and Agreement (hereinafter referred to as “Agreement”). As an Independent Associate, you must comply with all the terms and conditions set forth by Mannatech Swiss International GmbH (hereinafter referred to as the “Company” and/or “Mannatech”) within the Policies and Procedures, the Agreement and the Compensation Plan as well as honour all applicable laws and regulations in the state, province, country or other political suburb where you live and in which you operate your Mannatech business. Please study this document carefully. Each Mannatech Independent Associate (“Associate”) is responsible to adhere to the Agreement and Policies and Procedures. The Policies & Procedures apply to all Associates and will be rigidly enforced as such. Violation will subject you to termination of your Agreement and/or the Compliance Administration Procedure and any related disciplinary sanction imposed from that Procedure. The Company’s Board of Directors (“Board”) reserves the right to waive any rules embodied in the contents herein as deemed appropriate and without explanation.
- 1.2 INDEPENDENT ASSOCIATE**
 “Associate” is a term used to describe an Independent Distributor. An Independent Distributor is an Associate who purchases products from the Company for personal use or resale and participates in the Compensation Plan. An Associate of the Company has the following rights and responsibilities:
- 1.2.1 To earn commissions and bonuses on the sales of Company products throughout Australia, the United States, Canada, the United Kingdom, New Zealand and Japan as well as any other country of operation as defined in Section 3.
- 1.2.2 You are an independent contractor for all purposes, including legal purposes and governmental tax purposes. There is no employer/employee relationship, partnership or joint venture relationship between you and the Company. Associates set their own hours and determine their own methods of procuring orders. Members and Associates are not eligible to receive any employee benefits as otherwise made available to Mannatech employees. You are solely responsible for paying all taxes or duties required by law, including income tax, superannuation guarantee payments and the proper reporting, submission and payment of tax on sales and bonuses/commissions/incentives. You should keep all proper records as are necessary to ensure the proper assessment and payment of any such taxes and duties.
- 1.2.3 You may not bind the Company in any manner nor incur any debt, expense in the name of the Company or naming the Company, or open any cheque 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 whatsoever or howsoever incurred by you, whether or not such liabilities are incurred during the term of the Agreement.
- 1.2.5 You must always identify yourself as an “Independent Associate” in all written and verbal communications.
- 1.2.6 The Company reserves the right to request information about your business and downline to ensure compliance with the Agreement and Australian laws
- 1.2.7 You do not earn bonuses on your own personal product purchases and acknowledge that bonuses/Commissions/Incentives are paid only on product sales. No benefits or bonuses are paid and no benefits are received from sponsoring other Associates or in respect of the continued participation of any other Associates in the Company Business Plan and no earnings are guaranteed from mere participation in the Compensation Plan.
- 1.2.8 You must operate your business in accordance with all applicable laws and/or regulations.
- 1.2.9 You are prohibited from promoting or selling to existing Associates or prospective Associates any products, services, or opportunities not directly associated with the Company whether at any of the Company’s presentations, training events or otherwise as stated in Section 4.9.
- 1.2.10 You shall not utilise the services of an Associate that has been terminated by the Company, or any shareholder, member, or partner of such terminated Associate, in conjunction with your Mannatech business.
- 1.2.11 You shall not utilise the services of a person, whether acting as your agent or on your behalf, who has been determined by the Company to be acting in derogation of these policies and procedures.
- 1.2.12 You cannot serve as an officer, director, or employee of MannaRelief during the time you are an Independent Associate of Mannatech.
- 1.3 ASSOCIATE APPLICATION AND AGREEMENT AND IDENTIFICATION NUMBERS**
- 1.3.1 Any person, corporation or other entity desiring Independent Associate status must complete and submit a signed Agreement. The Company reserves the right to refuse any Prospective Applicant. Any Associate found to be under 18 years of age will be terminated unless a parent or guardian assumes responsibility for the minor’s Company business by completing a letter of consent form (MOD AU1804502). All applicants must complete a “Tax Status Advice” form (MOD AU1808802.1108) to notify the Company of their GST registration status and advise PAYG withholding option. Please refer to the Tax Status Advice form for details.
- 1.3.2 The Company will reject any application, at its sole discretion in the event the Prospective Applicant fails to provide the required information. Applicants who refuse or choose not to provide the required information may sign up as a Member.
- 1.3.3 The Company must receive at Coppell, Texas a fully completed and signed Agreement from the Applicant. The Agreement does not become effective until the Company at Coppell, Texas, USA, accepts it. The Company will not accept incomplete Agreements. No commissions, bonuses, and/or incentives will be paid until the Company receives the signed application or, when registering electronically, the e-signature of the Associate accepting the Terms and Conditions.
- 1.3.4 Upon acceptance of the Application by the Company, you will be assigned a Company Account Number (“Account Number”) to serve as your official identification number when sponsoring new Associates and/or placing product orders and tracking bonuses and commission cheques.
- 1.3.5 You must report changes to your account, your business name, sole proprietorship, Associate Name or address to the Company within fourteen days of the change occurring.
- 1.3.6 If you submit forged signatures to the Company you are violating Australian laws and may be subject to immediate termination of your Agreement.
- 1.3.7 The Agreement may be submitted via facsimile provided the facsimile is an original Australian Application issued by the Company. Prospective Applicants must complete and sign the Agreement. Applicants should retain the facsimile sent to the Company for their records.
- 1.3.8 All accounts must have a valid contact name and telephone number to list on the Account.
- 1.4 ESTABLISHING A CORPORATION, PARTNERSHIP OR TRUST**
- 1.4.1 If your agreement is in the name of a corporation, partnership or trust position you must identify the shareholders, officers and directors of the corporate or partnership or trust entity by completing a Form C-1 Disclosure of Corporate Partnerships or a Form C-1(a), Disclosure of Trust. Any and all officers and directors must provide a Statement of Guarantee and Indemnity - Form C-2 or Form C-2(a), respectively to the Company at the time the Agreement is submitted.
- For information regarding dissolving a partnership, please refer to MOD AU1813602 - Procedure for Dissolving a Partnership.
- 1.4.2 The Agreement will not be processed without 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. Any changes in individual shareholders, partners or directors must be notified to the Company within fourteen days of the change occurring.
- 1.4.3 The Company reserves the right to approve or disapprove your change of business name (“DBA Name”) in the event it is offensive or conflicts with its trade names, trademarks, services marks or English law. If the Company approves such a change; the organisation’s name and the names of the principals of the organisation must appear on the Change of Associate Information Form, or a disclosure form with signed Guarantee of Indemnity. You may not use the name “Mannatech” or any of its product or trade names in your business name which might be confused with the Company.

1.5 COMBINING A THIRD-PARTY AGREEMENT WITH YOUR MANNATECH BUSINESS

- 1.5.1 A "third-party" includes, but is not limited to, another Independent Associate or an unrelated individual/company offering business-building services or related/unrelated goods and services.
- 1.5.2 The Company does not endorse or permit any third-party income representations, guarantees or other such representations to build your downline organisation. In addition, the Company does not endorse any third-party individual or company making income representations through the use of third-party sales aids.
- 1.5.3 If you choose to enter into any such agreement with a third party, you do so at your own risk. The Company will not be bound by any agreement or contract. The Company will not reimburse you for costs incurred as a result of any such agreement as described above.
- 1.5.4 You may not enter 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, the Compensation Plan or any other non-Company component. The Company does not honour these agreements, nor will the Company settle disputes resulting from these third-party agreements or between Associates.
- 1.5.5 The Company does not allow the Mannatech products or Compensation Plan to be presented/offered in conjunction with any other business plan or other form of business. Violation of this Policy will be considered breach of your Agreement and subject to termination of your Agreement.
- 1.5.6 You must not induce third parties to acquire the Company's products by representing to that third-party that they would, after the acquisition of the Company's products receive cash bonuses, commissions or any other benefit from you in return for assisting you to supply the Company's products to others.

1.6 RESPONSIBILITIES TO DOWNLINES

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

1.7 VOLUNTARY TERMINATION OF YOUR AGREEMENT

- 1.7.1 If you wish to terminate your Agreement, you must submit such request in writing on a termination form (MOD AU1806002) to the principal business address of the Company.
- 1.7.2 An Associate who voluntarily terminates may apply for reinstatement after the expiration of six (6) full business periods (the "waiting period"). Applications submitted under this section shall not be processed until the first day after the expiration of the waiting period. Spouses, dependent children or other household members of Associates who have terminated may not apply to become an Associate or Member in another line of sponsorship until the terminated Associate is eligible for reinstatement. Please refer to MOD AU1625102 for additional information.
- 1.7.3 If you have purchased products or sales aids, the Company may repurchase or take back all sales aids and products in commercially usable condition,

which were supplied to you by or on behalf of the Company. If a notice of termination of your Agreement is received at the Company within fourteen days of receipt of the Pack purchase, a full refund will be given to you, including any subsequent product or sales aids in commercially usable condition.

- 1.7.4 You will be held responsible for all transportation expenses incurred in returning sales aids or products to the Company.
- 1.7.5 A new Associate may terminate within 14 days, before commissions are paid, and rejoin immediately in any line of sponsorship.

2. CONDUCTING YOUR BUSINESS, INTERNET USAGE, PRODUCT SALES AND RECRUITING

2.1 ADVERTISING

2.1.1 The Therapeutic Goods Administration ("TGA") requires all advertising in main-stream media to be supplied to them for review and approval prior to publication. Therefore, the Company must prohibit its Associates from advertising in any mainstream media. Mainstream media means any magazine or newspaper for consumers containing a range of news, public interest items, advertorials, advertisements or competitions. The Associate is prohibited from supplying the TGA with any item such as listed herein on behalf of the Company. Associates who publish advertisements, which have not been approved under the Therapeutic Goods Act ("the Act"), or the Therapeutic Goods Advertising Code ("the TGA Code"), as required, may face criminal prosecution by the Therapeutic Goods Administration.

2.1.2 As the Company is a direct seller, you may not advertise products by way of the Internet or any other form of media such as radio or television except in the case of advertising provided by the Company for the promotion of your Independent Associate Sites or subject to the provisions of Section 2.15. The Company provides compliant advertisements for your use and you as an Independent Associate are encouraged, but not obliged, to use them. If used, the Company-approved advertisements must be used verbatim. If you wish you may use your own advertisements. If you decide to do so, it is your responsibility to ensure that the advertisements comply with the Act and its regulations; the TGA Code; the Trade Practices Act; the State and Territory Fair Trading legislation; applicable laws and codes relating to cosmetics and weight control products; all other applicable legislation codes and law; your Associate Agreement and the current Policies and Procedures. It is your responsibility to make yourself familiar with these laws, regulations and codes and with any changes to them. Failure to comply with those obligations would be a serious breach of your Associate Agreement and these Policies and Procedures

- 2.1.3 Prohibited materials include, but are not limited to:
- 2.1.3.1 Outdated Company-produced literature no longer in circulation, and
- 2.1.3.2 Those materials an Independent Associate creates and produces which are in violation of 2.7, 2.8 or 2.26 of these Policies and Procedures.

2.2 CLASSIFIED ADVERTISING

Notwithstanding the Associate Advertising Policy, you may use "lineage" or classified opportunity advertisements (less than thirty words in length) provided by the Company for publication via Internet search engines and in the opportunity section of local newspapers, magazines and directories. Approved classified advertising is available on the Internet home page at www.Mannatech.com. You must identify yourself as an "Independent Associate" at all times. You may not add, append or delete verbiage from these classified advertisements.

2.3 TELEPHONE DIRECTORY ADVERTISING

2.3.1 To ensure there is no confusion between your telephone advertisement and the Company's listing, you should list in the telephone directory as follows:

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

- 2.3.2 In the event the printer is unable to put the Registered (®) symbol next to Mannatech, the following statement has to be placed at the bottom of the advertisement: "Mannatech is a registered trademark of Mannatech Swiss International GmbH." In any event, you must not create the impression that your telephone number will reach the corporate office.
- 2.3.3 You may not use a telephone or toll-free number which, when numbers are converted to letters, spells out all or part of the name Mannatech or any of its products as this would be unfair use of Mannatech's trademarks.
- 2.4 ANSWERING THE TELEPHONE**
- You must not answer the telephone in any manner that gives the caller the impression that they have reached the Company's headquarters. Specifically, you may not answer the telephone by saying, "Mannatech Swiss International GmbH" or any derivation thereof.
- 2.5 BUSINESS STATIONERY**
- Business cards may contain the Mannatech Corporate Web site address and must always clearly identify you as a Mannatech Independent Associate.
- 2.6 USE OF COMPANY NAME, LOGO OR TRADEMARKS**
- 2.6.1 Except as permitted in Section 2.15, you may not use the Company name, logo, trademarks and/or names of Company Products in independently-produced advertisements or marketing materials.
- 2.6.2 You can only use the "Mannatech Independent Associate" logo. You may not reproduce the "Mannatech Swiss International GmbH" or "Mannatech Party Limited" logos except as permitted in Section 2.10.
- 2.6.3 Except in the case of advertising or instructions provided by the Company for the promotion of your Independent Associate Sites, you may not use the name Mannatech or any of its trademarks as part of your business name, corporation name, Internet name, URL or domain name, metatags, source/search codes, or email address. Associates who use Mannatech trademarks without authorisation from the Company will be required to relinquish their right to such marks without compensation by the Company.
- 2.6.4 You may not use the names or images of Company employees, executives, consultants, athletes, celebrities and/or organisations who endorse the Company except as specifically written in current Company-approved materials or except as permitted in Section 2.15.
- 2.6.5 You are prohibited from using names of any other companies, hospitals or institutions when promoting the Company, as by doing so, you would be in violation of various trademark protection afforded to those entities.
- 2.7 CREATION AND USE OF THIRD PARTY MATERIALS**
- 2.7.1 All sales aids, generic materials, or other materials not produced by the Company are considered "third party materials." This definition is intended to include sales aids and materials that are either in printed, audio, video, or electronic formats.
- 2.7.2 Materials are considered "generic" if they can be utilised by any other company in our industry.
- 2.7.3 In order to ensure compliance with the Act, the TGA Code and other regulations governing therapeutic goods and/or cosmetics, you are prohibited from creating, selling or distributing third party materials which link the benefits of Mannatech products, the ingredients of Mannatech products, and/or glyconutrients in conjunction with any particular disease, disease process, or disease claim, or which violate 2.8 or 2.26 of these Policies and Procedures. You must only use compliant materials when representing the Company and the Company's business, the Compensation Plan, training other Associates and/or making representations in connection with the products. Materials must be compliant for the country in which they are to be used.
- 2.7.4 In addition to the requirement set forth in 2.7.3, you may use generic materials only if:
- 2.7.4.1 they do not contain mention of the Company, its products, trade names, the specific ingredients of its products, or the Compensation Plan, and
- 2.7.4.2 they have not been created solely for use in connection with the promotion or sale of Mannatech products or the opportunity.
- 2.8 REPRESENTATIONS AS TO PRODUCTS**
- As an Independent Associate you acknowledge that Mannatech products are not a substitute for a doctor's care or standard of care in the treatment or prevention of a specific disease, and you shall not make representations to the contrary.
- 2.9 REPRODUCING APPROVED EDUCATIONAL AND PROMOTIONAL MATERIAL**
- You may copy Company-produced promotional materials verbatim in whole or in part for use in conducting your business. Due to various regulatory laws governing the promotion of our products in Australia, Educational materials may ONLY be used verbatim and IN THEIR ENTIRETY. You may not duplicate or record audio or video materials produced by the Company. Any recording or duplication is strictly prohibited as all copyrights are strictly reserved by the Company.
- 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/or any extract thereof in the promotion of Mannatech's products.
- 2.11 RESERVED FOR FUTURE EXPANSION**
- 2.12 USE OF TESTIMONIALS**
- 2.12.1 **Testimonials.** In order to ensure compliance with the Act and the TGA Code, Independent Associates shall not in conjunction with the sale of Mannatech Products, use testimonials which link the benefits of Mannatech products, the ingredients of Mannatech products, and/or glyconutrients in conjunction with any particular disease, disease process, or disease claim.
- 2.12.2 **Opportunity Meetings.** Meeting leaders will not, themselves, give Testimonials. Subject to 2.12.1, the host at opportunity meetings may allow attendees to make testimonials concerning generally improved health and well-being (statements which do not link the benefits of Mannatech products, ingredients of Mannatech products, and/or glyconutrients in conjunction with any particular disease, disease process, or disease claim) they have personally experienced after use of Company products. Testimonials must be documented, genuine and not misleading and illustrate typical cases only. In order to ensure compliance with the Act and the TGA Code during the testimonial segment of the opportunity meeting, the proper disclaimers must be displayed (see text below).
- Disclaimer: Mannatech nutritional products are designed to maintain health and general well-being. Mannatech makes only those claims for its products that are on product labels or in Mannatech-approved promotional materials. Mannatech nutritional products are not promoted for the prevention, treatment, or cure of any disease and are not intended to substitute for a doctor's care or for proven therapy.
- 2.12.3 **Recording.** The recording of permitted testimonials (by audio, video or otherwise) at opportunity meetings is not allowed, and is to be enforced by the host and/or meeting leaders.
- 2.12.4 **Educational Meetings.** Educational meetings are for informational purposes only; no promotion of the products or the business of the Company shall take place.
- 2.12.5 **GlycoLEAN®.** Associates are able to make testimonials relating to GlycoLEAN® products provided that:
- 2.12.5.1 All statements are truthful;
- 2.12.5.2 All statements are accurate;
- 2.12.5.3 All statements are verifiable; and
- 2.12.5.4 Notices are provided that individual results may vary.
- 2.12.6 **Mannatech OsoLean™ powder.** Associates are able to make testimonials relating to Osolean™ products provided that:

- 2.12.6.1 All statements are truthful;
- 2.12.6.2 All statements are accurate;
- 2.12.6.3 All statements are verifiable and can be substantiated; and
- 2.12.6.4 Notices are provided that individual results may vary, and that Osolean™ must be taken in conjunction with a reduced caloric intake and a regime of physical exercise.
- 2.12.7 **Photographs, Videotapes & Other Media.** Except as allowed under these Policies and Procedures, use of “before-and-after” photographs, videotapes, or other forms of recorded media which suggest or imply a link between the benefits of Mannatech products, the ingredients of Mannatech products, and/or glyconutrients in conjunction with any particular disease, disease process, or disease is expressly forbidden.
- 2.13 USE OF ONLINE SALES MEDIA**
As the Company is a direct seller, Independent Associates may not sell Mannatech products on online auction Web sites, virtual sales malls, or other online sales media.
- 2.14 RESERVED FOR FUTURE EXPANSION**
- 2.15 USE AND REGISTRATION OF INTERNET WEBSITES, ELECTRONIC MEDIA AND COMPANY TRADEMARKS**
- 2.15.1 **Use of the Internet.** The Company maintains a Web site at www.mannatech.com. Associates may also have their own web sites, blogs, and other electronic medium (such as YouTube, MySpace, Facebook, Twitter, etc.), hereinafter referred to as “Associate Internet Sites,” to promote their Mannatech business by complying with the provisions below.
- 2.15.2 **Registration Requirement.** You must register each website, blog, or other electronic medium used in connection with your Mannatech business within ten (10) business days of the creation of the site, providing your name, account number, URL of the site, and any passwords necessary to fully access the site. You may provide this information by:
- 2.15.2.1 E-mailing the requested information to lec-registration@mannatech.com
- 2.15.2.2 Faxing the requested information to 972.471.5619; or
- 2.15.2.3 Mailing the requested information to Mannatech US, Incorporated, Attn: Legal Department, 600 S. Royal, Suite 200, Coppell, Texas 75019.
- 2.15.3 **Use of Company Name/Intellectual Property.** When referencing Mannatech, or its product names or ingredients, trademarks, patents, copyrights or discussing the business opportunity, Associates must follow corporately produced promotional materials by using the appropriate intellectual property marks and product descriptions. Associates must prominently represent to the public they are Mannatech Independent Associates.
- 2.15.4 **Links to Corporate Sites.** Associates may provide a direct link from their Associate Internet Site to their M Independent Associate website, to www.Mannatech.com, and to any other Company-controlled URL.
- 2.15.5 **Search engines.** Associates may provide a direct link to their Associate Internet Site from internet search engines provided the search parameters (metatags, search and source codes, etc.) are compliant.
- 2.15.5.1 You may not bid on key words, advertise on websites, or utilize search parameters that address specific diseases, disease claims, or disease processes.
- 2.15.6 **Precluded Actions.** Your Associate Internet Site may not:
- 2.15.6.1 Contain content (text, testimonial, audio, photo, video, or otherwise) which asserts or implies that Mannatech products, Mannatech product ingredients, or glyconutrients cure, treat, mitigate or prevent a particular disease, disease claim, or disease process;
- 2.15.6.2 Link to another web site that contains contents which asserts or implies that Mannatech products, Mannatech product ingredients, or glyconutrients cure, treat, mitigate or prevent a particular disease, disease claim, or disease process;
- 2.15.6.3 Have the Company name, Company product names, Company trademarks, or disease names/conditions in the URL;
- 2.15.6.4 Contain content (text, testimonial, audio, photo, video, or otherwise) that misrepresents Mannatech, its products, or the business opportunity to the public; and
- 2.15.6.5 Offer Mannatech products under a different and/or generic product name, either by renaming, relabeling, or repackaging; and
- 2.15.6.6 Utilize an e-commerce feature other than offering a direct link to www.mannatech.com.
- 2.15.6.7 Contain content which breaches any applicable law or regulation including, without limitation, the Therapeutic Goods Act, the Therapeutic Goods Advertising Code, The Trade Practices Act, the State and Territory Fair Trading legislation, and the Competition and consumer legislation (when it comes into effect).
- 2.15.7 **Responsibility for Site.** The Company will hold Independent Associates and content providers strictly liable for Web site material.
- 2.15.8 **Reservation of Rights.** The Company reserves the right to seek any and all remedies available by law, including injunctive relief, in addition to disciplinary action by the Company up to and including termination, to remove non-compliant or offensive material from the Internet that relates to the Company, its officers, directors, employees, Associates, trademarks, proprietary property, products or business.
- 2.16 COMPANY WEBSITE USAGE GUIDELINES**
The Company may provide you access to password-protected Web site information. This information is intended to serve as a communication tool for Associates only. In order to comply with Australian laws, you may not use portions of the password-protected site for recruitment and/or the sale of products. The portions include, but are not limited to the Message Board and streaming video portions. You may not give your password to any individual for the purpose of accessing the Web site information. Any misuse will result in disciplinary action in accordance with the Associate Disciplinary Procedure.
- 2.17 E-MAIL CORRESPONDENCE**
You may use e-mail to communicate Company information to your downline. You are solely responsible for ensuring that the content complies with the Associate Policies and Procedures and applicable laws related to e-correspondence prior to forwarding written correspondence on to downline and /or crossline organisation. Associates violating this Policy will be subject to the Compliance Disciplinary Procedure.
- 2.17.1 Recipients who wish to be removed from the mailing list should notify the sender directly. Upon receipt, you must remove the Requestor from the mailing list immediately as required by law.
- 2.17.2 Associates should not send or excerpt materials which violate 2.7, 2.8 or 2.26 of these Policies and Procedures to other Associates or prospects.
- 2.17.3 You are strictly prohibited from sending unsolicited e-mail and/or posting electronic messages on Internet bulletin boards to advertise the Company, Compensation Plan and/or the products. If you participate in chat rooms, you do so at your own risk and are responsible for the content of your statements and must observe Company Policies prohibiting medical, product and income representations in all electronic messaging formats.
- 2.17.4 You are prohibited from buying e-mail address lists and sending unsolicited materials to individuals from whom you have not received permission.
- 2.17.5 The Company may notify you via e-mail (in the event you have provided your email address) of upcoming events or general information. If you do not want to receive this correspondence, contact Customer Service at the e-mail address provided in the document.
- 2.17.6 Associates may include links or references to their Independent Associate Sites if the originating source of the link does not violate Associate Policies and Procedures. Prohibited sources include, but are not limited to, non-compliant web sites, and/or sources that include disease references, personal testimonials, income claims, and the like.
- 2.17.7 Associates may not use Success Tracker™, Independent Associate Sites or other Company business tool or system to e-mail, 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 Success Tracker, their Independent Associate Sites, or other Company business tool or system to broadcast personal messages, to send chain letters, or to transmit or download copyrighted material that is not authorized for reproduction.

Violations of this policy may result in disciplinary action.

2.18 BROADCAST FAX

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

2.19 CONTACTS WITH THE MEDIA

- 2.19.1 All media inquiries (radio, television, newspapers, magazines or any other periodicals or media) are to be referred to the Company. Associates who contact the media or are contacted by the media, either directly or indirectly, may not participate in any fashion. You are not authorised and may not represent the Company if contacted by the media.
- 2.19.2 Personal Appearances–You are prohibited from representing the Company on television, cable television or radio without prior written permission from the Company.
- 2.19.3 Public Relations–You are prohibited from employing broadcast media as a form of public relations, including but not limited to news releases, articles, and talk show appearances.
- 2.19.4 Meeting Notices–Notification for public opportunity meetings for insertion into news papers or periodicals must comply with all Policies and Procedures as provided herein. Specifically, they may not allude to any income representations or medical/disease claims.

2.20 TRADE SHOWS AND EXPOSITIONS

- 2.20.1 You may conduct your Mannatech business at trade shows, expositions, or other public forums.
- 2.20.2 An Independent Associate is responsible for securing all approvals, admissions, floor space, insurance etc. in conjunction with participation at said events.
- 2.20.3 An Independent Associate must be physically present at his/her booth at all times during an event.
- 2.20.4 Only materials which do not violate 2.7, 2.8 or 2.26 of these Policies and Procedures may be displayed, and you must identify yourself as “Mannatech Independent Associate.”

2.21 RETAIL SALES

- 2.21.1 The Company uses network marketing as its chosen method to share its business opportunity. The foundation of this is based upon one-on-one contact with others who may want the products and who may want to become involved in the business opportunity. Once this method of marketing is chosen and independent sales Associates put their time, energy, and resources into building a business, the Company and all Associates have a responsibility to consistently support network marketing.
- 2.21.2 You may sell or display Company products in (1) offices or other areas located in a private club that are not accessible to, or in view of, the general public; or (2) private offices of professionals who operate by appointment only (i.e. "person to person" or "private sale"), including but not limited to, beauty salons, spas, medical offices, and dental offices. Your ability to sell Company products under this paragraph may be subject to state law or other rules or regulations of government agencies or professional organisations. You are solely responsible for complying with any and all laws, rules, and regulations related to the sale of the Company Products.
- 2.21.3 You may not sell or display Company products in a permanent retail establishment. Examples include, but are not limited to department stores, beauty supply stores, supermarkets, drug stores, newsstands, health food stores, vending machines, mall carts, and flea markets.
- 2.21.4 You may, however, offer Company products in a permanent retail establishment provided that (1) the proprietor ("owner") 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 behind a counter, in a separate room, or are otherwise not accessible in a self-service environment.

- 2.21.5 Suggested Retail Price. Your primary obligation is to obtain orders from retail customers for the Company's products in accordance with the Associate Agreement. Title in the Company products will pass direct from the Company to the retail customer at the time when the Company, or Company's nominee, dispatches product to the retail customer.
- 2.21.5.1 You may sell products for any price you choose. Retail prices set by the Company are recommended prices only.
- 2.21.5.2 You should not collect any money from a Retail Customer until the products have been delivered to them.
- 2.21.6 Re-packaging and Re-labeling Company Products. You may not re-label or in any manner alter the label on any Company product. Additionally, you may not repack or refill products and must sell products in their original, unopened containers. If you participate in this activity, you expose yourself to potential criminal charges and/or civil damage claims.
- 2.21.7 You must supply all retail customers with a properly completed sales receipt in a format applicable to your jurisdiction. For more information and available forms, please see the Mannatech Online Document library. Associates must maintain copies of sales receipts for a period of no less than two years and must furnish them to the Company upon request.
- 2.21.8 You must inform the buyer of their cancellation rights at the time of the sale. You must allow retail customers the ability to cancel their order within ten business days and allow full refunds ten days after receipt. In the event that the Company must reimburse a dissatisfied retail customer on your behalf, refunds will be deducted from commissions and you may be subject to disciplinary review.

2.22 PROMOTION OF PRODUCT FOR ANIMAL USE

Mannatech products are designed for human use. Promotion of these products for animal use is prohibited.

2.23 MISREPRESENTING THE COMPANY

- Presenting the Company, Compensation Plan, employees or products in a deceptive, fraudulent, slanderous or misleading way will be considered breach of your Agreement, which may include termination of your account(s) when such conduct becomes known to the Company.
- 2.23.1 You are prohibited from referencing research or publications that were conducted by or financed by Mannatech without clearly and conspicuously disclosing Mannatech's participation in the research.
- 2.23.2 You are prohibited from referencing research or publications that were conducted by, financed by, or otherwise controlled by a Mannatech Independent Associate without clearly and conspicuously disclosing that the research/publication was conducted, financed by, or otherwise controlled by a Mannatech Independent Associate who receives compensation from the sale of Mannatech products.
- 2.23.3 You are prohibited from referencing a publication that is directly or indirectly represented to be a scientific publication, published by a Mannatech Independent Associate without clearly and conspicuously disclosing that the publication is controlled by a Mannatech Independent Associate who receives compensation from the sale of Mannatech products.
- 2.23.4 You are prohibited from referencing research or publications of the Fisher Institute without clearly and conspicuously disclosing the Independent Associate status of the Fisher Institute at the time the research was conducted or the publication was published.

2.24 COMPENSATION PLAN AND INCOME EARNINGS MISREPRESENTATIONS

- Opportunities for income under the Compensation Plan are determined by many factors, including the ability and perseverance of the individual. You may not make statements alluding to the income potential of any prospective Associate except as stated in Corporate literature. All income is strictly derived from sale of products. You are subject to legal recourse for damages and/or disciplinary action for making any misrepresentation of Compensation Plan. Misrepresentation includes but is not limited to the following:
- 2.24.1 Reviewing the Compensation Plan with any person without:

	(i) clearly stipulating that no remuneration is received solely for enrolling or sponsoring new Associates and		
	(ii) providing required compensation disclosure. The disclosure can be located on MOD AU1807702.		
2.24.2	Reviewing the Compensation Plan with any person without informing them that, other than the initial AUD55 (GST incl) registration fee (enabling them to become an Associate), there is no ongoing purchase requirement to become an Associate.	2.26.2	While a Company event is in session, you are prohibited from recording (by audio, video, photo, electronic or otherwise) the speeches or the visual aids used in conjunction with said speeches. The Company may provide written materials and/or post materials on its web site for use by Independent Associates.
2.24.3	Reviewing the Agreement with prospective Associates without presenting all entry and upgrade levels, explaining the differences between Member, Preferred Associate, and All-Star options before new recruits sign the Application & Agreement.	2.27	Reserved for Future Expansion
2.24.4	Reviewing the Automatic Order (AO) details, without disclosing that the AO is optional, generates 13 times a year (every 28 days), is automatically charged to the credit card provided or debited from their bank account, and that the products selected are shipped directly to the address provided each Business Period until the Company is notified to discontinue the AO.	2.28	Conduct Detrimental to Mannatech. If an Associate engages in conduct which Mannatech, in its' sole discretion, determines to be detrimental to the Company, Mannatech shall sanction said Associate. The severity of the sanction imposed shall be established by Mannatech, in its' sole discretion, and shall range from placing the Associate on probation up to and including the termination of the Associate's Agreement with the Company.
2.24.5	You may not represent, either directly or by implication that all participants who enter into the business will succeed.	3.	INTERNATIONAL POLICIES
2.24.6	Representing that past earnings reflect future earnings. You may not relate to third parties, either directly or by implication any past earning figures of current or former Mannatech Associates.	3.1	HOW TO CONDUCT BUSINESS INTERNATIONALLY
2.24.7	Misrepresenting the cost amount that an average Associate might expect to incur in carrying on the business.	3.1.1	Countries of Operation. Mannatech is authorized to conduct business in the countries set forth in MOD AU1817601 ("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.
2.24.8	Misrepresenting the amount of time an average Associate would have to devote to the business in order to achieve the profit estimated. You may not represent, directly or by implication that it is relatively easy to recruit participants into the business, but may only represent that participants are recruited through hard work and diligence.	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.
2.24.9	Representing through statements or inference that the sponsoring or enrolling Associate will build a downline for a person.	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 a MOD 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 MOD will also specify actions which Mannatech Independent Associates are precluded from undertaking during the pre-launch.
2.24.10	Using any misleading, deceptive or unfair recruiting methods.	3.1.4	Observance of Country Laws. You 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.
2.24.11	Discussing or making warranties, representations or statements concerning Company products in a manner that is inconsistent with the Company-produced literature.	3.1.5	Travelling in Other Countries. When travelling in a country other than a Country of Operation, Mannatech Independent Associates must not: <ul style="list-style-type: none"> • Advertise the Company, Career & Compensation Plan or products; • Offer Company products for sale or distribution; • Reproduce or self-produce literature for distribution; • Accept payment for 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.
2.24.12	You may not promote the Company, its products and/or business plan in conjunction with the sale of stocks or securities related to the Company.		
2.24.13	Manipulation or reconstruction of downline organisations through violation of the cross-sponsoring, inducement, and/or multiple position policies.		
2.25	PRODUCT CLAIMS AND MISREPRESENTATIONS		
	The Act and the TGA Code prohibit the making of direct, indirect, or implied medical or other claims regarding the prevention, treatment, cure or mitigation of any disease from the use of Company products (except for TGA-approved claims which are notified by the Company to you). Additionally, you may not:		
2.25.1	Make any representation (oral, written or otherwise) about Company products which violate 2.7, 2.8 or the provisions of this section of these Policies and Procedures.		
2.25.2	Discuss or make warranties, representations or statements concerning Company products in a manner that violates 2.7, 2.8 or the provisions of this section of these Policies and Procedures.		
2.25.3	Use or distribute, for the purpose of marketing products or in promotion of the Compensation Plan, materials which violate 2.7, 2.8 or the provisions of this section of these Policies and Procedures.		
2.25.4	Re-label or in any manner alter the label of any Company product. Additionally, you must not repackage or refill Company products and must sell Company products in their original, unopened containers.	3.2	GIFTS OF PRODUCTS
2.25.5	Use third party individuals, business entities and/or organisations (such as Mannatech Members, MannaRelief, Fisher Institute, etc.) in any deceptive or misleading manner in connection with the promotion of Mannatech products.		Gift of products to a person in an Unauthorised Country of Operation are allowed only if the unauthorised country allows such gifts under the laws and regulations that govern the Company products. It is your responsibility to confirm with the Customs Bureau where you intend to gift the product to determine if the products are allowed in the country.
2.26	COMPANY EVENTS	3.3	INTERNATIONAL SPONSORING
2.26.1	The Company will offer events during the course of the calendar year to provide training opportunities for Independent Associates, offering	3.3.1	Only Associates in good standing may act as an International Sponsor. The Company at its sole discretion reserves the right to reject at any time your

	International Distribution and sponsoring rights upon written notice to your last known address. If your Agreement is terminated, you release the Company and its officers, directors, agents, advisors, and employees from any and all liability or damages.	4.3.1 You must provide the Company with valid Sponsor and Enroller details at the time your application is submitted. Sponsors and Enrollers must be in the same line of sponsorship. The enroller must be either the same as the sponsor or above the sponsor in the line of sponsorship. Applications received with no Sponsor and Enroller information will be returned to the applicant unprocessed. Applications received missing either Sponsor or Enroller information will be processed making the Sponsor and/or Enroller the same person. The Company is not responsible for contacting the Applicant or the upline to verify the information provided. Applicants or Associates who fail to provide correct Sponsor and Enroller information may complete a Sponsor Change Request Form (MOD AU1807202). This form must be submitted before commissions pay with appropriate signatures and comply with the provisions set forth on the request form, or the Sponsor Change will be denied.
3.3.2	Your right to act as an International Sponsor or to receive commissions in a Country of Operation may be revoked at any time if the Company determines that you have not conducted yourself in accordance with the terms and conditions contained herein or the governing laws of the Country of Operation.	
3.3.3	You have no authority to take any steps in any country toward the introduction or furtherance of the Company. This includes, but is not limited to, any attempt to register or reserve Company names, trademark or trade names; to secure approval for products or business practices; or to establish business or governmental contacts. You agree to indemnify the Company for all costs incurred by the Company for any remedial action needed to exonerate the Company in the event you improperly act purportedly on behalf of the Company.	4.3.2 Associates have maximum of seven (7) days from the sign up to make Sponsor/Enroller changes via email. When fewer than seven business days are left in the current business period, you will have until the last day of that Business Period. When there have been more than seven business days from the sign up, Associates have until the end of their sign up Business Period to request Sponsor/Enroller changes via Sponsor/enroller change request forms. Please refer to the sponsor Change Request Form, MOD AUS 1807202 & 1806102.
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	4.4 CHANGING LINES OF SPONSORSHIP
	Associates relocating to other countries of operations should contact the in-country Customer Service department to receive the country specific information regarding relocation procedures.	4.4.1 The Company will not permit any change in the line of sponsorship except in the following circumstances:
4.	SPONSORSHIP BUSINESS RULES	<ul style="list-style-type: none"> • Where an Associate has been fraudulently induced into joining the Company • Where due to Company error, the Sponsor has been entered incorrectly into the Company database.
4.1	RIGHTS TO CHOOSE SPONSOR	
4.1.1	Prospective Applicants have the right to choose his or her immediate Sponsor. 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 by someone who merely provides a Company video.) The Company does not have an obligation to settle or be a part of any disputes concerning sponsorship (agreements in connection with sponsorship bonuses/commissions). The Sponsor of a new Associate will be the Associate indicated on the Associate Application and Agreement signed by the new Associate and/or as entered as Sponsor in the Company's computer system.	4.4.2 If the request is made after seven days but no more than 28 days from the enrollment date, you must submit the written consent of your current Enroller and the additional signatures as required on the Sponsor Change Request form on MOD AU1807202. If at the time of the request you have a downline organisation in place, the change will not be granted by the Company.
4.1.2	Once an Associate Application and Agreement has been accepted by the Company, sponsor changes are only permitted in the event of Company error, or if the Company is notified in writing by the new Associate and/or Associate's rightful sponsor or Enroller before any commissions are paid and in accordance with the sponsor change request procedures.	4.4.3 You must supply written consent of all Associates in the organisation whose income is arguably affected. However, the Company maintains right of refusal if circumstances violate other Policies and Procedures and/or the Business Rules of the Company.
4.2	INDUCEMENTS TO SELECT A DIFFERENT SPONSOR	4.4.4 If you terminate your Agreement in writing, you may rejoin under a new line of Sponsorship, of your choice, after six (6) consecutive Business Periods (the "waiting period"). Termination of your Agreement will result in forfeiture of all rights, bonuses and commissions under the previous line of sponsorship (see Policy 1.7). After the voluntary termination notice has been received by the Company, you may not hold meetings, attempt to enrol new Associates or sell product during the Inactivity Period. If you are found to be actively pursuing the business during the Inactivity Period, the Company reserves the right to reject your Application and refuse to allow you to join under a new line of Sponsorship. Associates who voluntarily terminate their Agreements may join in a new position under a new line or the same line of sponsorship provided all the requirements are met. Please refer to MOD AU1625102 for additional information
4.2.1	Notwithstanding the Rights to Sponsor Policy, it is against Company policy to induce or allow an individual, family member or business partner of an existing Associate to sign up under your line of sponsorship for the purpose of circumventing the original upline from future income.	
4.2.2	Company meetings are open to all interested parties. You must not imply that interested parties are not welcome to attend 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 should be referred back to the person who sent them. It is against Company Policy to sponsor a prospect at the meeting who was sent by another Associate.	4.4.5 You may sign up in a new position under a different Sponsor if you did not renew the original position after your effective renewal date, and there has been no activity in the original position for the previous six (6) consecutive Business Periods. As an inactive Associate, you shall not refer to yourself as a Mannatech Independent Associate or hold or participate in educational or promotional meetings. You should discontinue using any materials bearing the Company logo, trademarks or service mark(s), nor attempt to sponsor or enrol new Associates (either directly or indirectly) or otherwise sell Company products(s). If you are found to be actively pursuing the business during the termination/inactivity period, the Company reserves the right to refuse your application under a new line of Sponsorship. You must complete a Voluntary Termination Notice (MOD AU1806002) and submit a new Application and Agreement. Associates who comply with these requirements are eligible to enter a new Agreement and obtain a new position. Position transfers are subject to the Company's approval which may be withheld at any time. Please refer to MOD AU1625102 for additional information
4.2.3	You may not offer monetary rewards, free products or any other material inducement to enrol under your line of sponsorship when it is made known that he or she has been working with another Associate.	
4.2.4	You may not offer an illegal incentive or offer anything of value in a legally objectionable way to further your Mannatech business.	
4.3	SPONSOR AND ENROLLER INFORMATION	

- 4.4.6 You are not permitted to persuade or attempt to persuade any other Associate to terminate their Agreement with the Company in order to join your downline or use any unfair tactic or undue action to obtain consent (see 4.2.1).
- 4.4.7 The Company reserves the right to assume any inactive position and transfer the position to another party at face value.
- 4.5 SALE OR TRANSFER OF ASSOCIATE POSITION**
- The transferee assumes the transferors position.** No changes are made to the downline. For the purposes of Compensation Plan qualifications, the creation date (sign up date) of the account remains the date the first owner signed up. One off bonuses that may have paid to the original owner, will not be paid a second time to the new owner. Should a bonus be based on a sign up date, it will be based on the creation date (unless otherwise specified).
- 4.5.1 You ("Transferor") cannot sell, assign or otherwise transfer the rights of your Associate position to any other person, firm or body corporate ("Transferee") without the express consent of the Company, which may be delayed or denied in the sole discretion of the Company and without a statement of reason(s). The Company reserves the right to prohibit or impose various terms and conditions, at its sole discretion respecting any proposed sale, assignment or transfer of an Associate position. The Company cannot authorise the sale or transfer of a position from one Country of Operation to another. The position will always remain in the Country of Operation in which it originated.
- 4.5.2 In order to receive such permission, the Transferor must be an Associate in good standing as determined by the Company, satisfy any outstanding debt obligations with the Company, and not be under any Compliance inquiry or sanction.
- 4.5.3 The Transferor must sign a Position Transfer Request authorising the sale or transfer of their position. Additional information regarding the possible sale or transfer of an Associate position is available on MOD AU1805602.
- 4.5.4 The new owner is subject to all Associate Policies and Procedures and terms and conditions. The position is available for a transfer at any level shown on the face of the Associate Application and Agreement. All sale or transfers require that a Position Transfer and Associate Application and Agreement be signed by the Transferee and accepted by the Company. All signatures are subject to verification for authenticity.
- 4.5.5 Terminated positions are eligible for sale or transfer if the position has remained terminated for six (6) consecutive Business Periods. Positions terminated for disciplinary reasons are only eligible for sale or transfer once the six (6) consecutive Business Periods have expired, and there is no litigation or possible litigation pending concerning the disciplinary actions taken by the Company. Please refer to MOD AU1625102 for additional information
- 4.5.6 Position Transfers for Associates who have voluntarily terminated and/or inactive positions as stated in 4.5.5 are strictly monitored for compliance with other policies as stated herein. The Company will deny position transfers at its sole discretion should it determine that the transaction will violate the Associate Policies and Procedures and/or the spirit of the policy for which they are intended. Associates using Position Transfers to violate policy may be subject to the Associate Disciplinary Procedure. Please refer to MOD AU1625102 for additional information
- 4.5.7 Changes to the line of sponsorship are not permitted on Position Transfers.
- 4.5.8 Account balances from previous owners will not be carried forward on Position Transfers.
- 4.6 Inheritance of Associate Positions**
- 4.6.1 Upon the death of an Associate, all rights to the Associate's position, including rights to commissions, bonuses and Associate responsibilities shall pass to successors as stated in that 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 and a Court Order declaring him/her/them the successor(s) or any other documentation required by the Company or Australian law to evidence the true successor.
- 4.6.2 The heir(s) must fulfil all responsibilities of the Associate position and must sign the then-current version of the Association Application and Agreement. The heir may inherit and retain another Associate position even though the heir(s) already operates an existing position.
- 4.6.3 The Company will only liaise with the Executor or Beneficiary of the Estate.
- 4.7 Multiple Positions**
- 4.7.1 You and your spouse may have an independent position and a third position as a sole proprietorship, corporation, partnership or trust. All of these positions must be in the same downline organisation of the first position owned.
- 4.7.2 If a married couple divorces, the Company will abide by a final order of a court of competent jurisdiction concerning the division and award of property interests and rights to each party. The concerned party must supply any documentation required by the Company to support such a division.
- 4.7.3 The Company will not process any changes to an account during a pending of any 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 organisation of the first position owned.
- 4.8 Cross-Sponsoring of Spouses/Household Members**
- 4.8.1 You (for the purpose of this clause, 4.8, referred to as an "Initial Associate") may not circumvent your original line of sponsorship by joining another downline organisation by sponsoring your spouse, dependent children, household members or any business or company operating under a business name (DBA) in which you have a direct or indirect ownership interest into a different downline or into a different leg of their sponsor. Husband, wife, company (business name), household members, business partners and/or dependent children must all be in the same downline, underneath the first position owned. It is permissible to be in separate legs provided they are under the first position owned. Violations of this Policy will result in the termination of the cross-sponsored account, and you will be instructed to work exclusively in the original position. Neither the cross-sponsored position nor the downline organisation will be moved. If the sponsor is found to have knowingly or willingly encouraged the cross sponsoring, the sponsor will be subject to further intervention from the Compliance Disciplinary Procedure. Please refer to MOD AU1625102 for additional information
- 4.8.2 If the Initial Associate referred to in 4.8.1 is a Company, Partnership or Trust, clause 4.8.1 shall also apply to each director, partner, unit holder or beneficiary of a trust as if such Person were the Initial Associate.
- 4.8.3 You may not participate as a partner, consultant or employee of another Associate position until after six (6) full business periods in the event this policy is violated
- 4.9 Unauthorised Recruiting of Associates and Sale of Competing Products**
- If you elect to participate in any other business engaged in direct selling or network marketing or multilevel marketing (collectively and for purposes of these policies and procedures "Direct Selling") selling Competing Product (as defined in 4.9.3 below) ("Competing Business"), you are prohibited from engaging in the unauthorised recruiting activities listed below in Australia or in any other country in which you or any Associate in your downline resides or carries on business as an Associate.
- 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 Competing Business'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 solely for the purpose of qualifying for commissions under another Direct Selling business' compensation plan, does not constitute participation in another Direct Selling

	company's business or compensation plan.	4.9.7	The downline organisation ("Confidential Information") as described in 4.12 is Mannatech Swiss's own property. Associate shall use the "Confidential Information" only in relation to Mannatech business activities.
4.9.1	You shall not sponsor or recruit Associates into any other Direct Selling business which supplies Competing Product (as defined in 4.9.3 below). The term "recruit" means actual or attempted solicitation, enrolment, encouragement, or effort to influence in any other way, either directly or through a third party, another Company Associate or Member to enrol or participate in another Competing Business.	4.9.8	Presidential Director Ambassador Program ("Ambassador Program")
4.9.2	You shall not use any Company-produced or Company Associate-produced written presentations, videos, audio recordings, or other promotional materials (regardless of medium) to recruit prospects or customers for any Competing Business. You shall not produce written presentations, videos, audio recordings, or other promotional materials (regardless of medium) that include references to the Company, its products, compensation plan, or training systems to recruit prospects or customers for any Competing Business. In these Policies and Procedures "Company Associate-produced" means (a) produced by an Associate under an agreement or arrangement between the Associate and the Company or (b) produced by the Associate and containing excerpts from Company-produced materials or using any of the Company's trademarks.		Your acknowledgement of the Presidential Director Ambassador Program is binding as long as your Presidential Director status is maintained. If your leadership status falls below Presidential Director for more than three (3) business periods, you must sign another acknowledgement upon achieving Presidential Director status.
4.9.3	You shall not sell or offer to sell or promote competing products to Company Associates or Members. For purposes of these Associate Policies and Procedures, a "Competing Product" means a product in the same general category as a Company product. By way of example, any dietary supplement is in the same general category as any of Company's dietary supplement products and is therefore a competing product regardless of any difference (perceived or otherwise) in price, quality, ingredient, efficacy, or nutrient content.		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. If you join the Presidential Ambassador Program you must sign an acknowledgment form affirming that you are in compliance with this Section 4.9.8 (inclusive of all subsections). Once your signed acknowledgment form is received by the Company, then you are entitled to receive certain bonuses (as defined in Mannatech's Career and Compensation Plan), recognition, and other benefits and access to proprietary information not available to other Company Associates. A new acknowledgement form must be signed during your annual renewal period for Presidential Director leadership level.
4.9.4	You shall not offer Company products or promote the Mannatech Career and Compensation Plan, business opportunity, or any Company incentive in conjunction with any other Competing Business's products, business opportunity, compensation plan, or incentive.		If you elect to participate in another Competing Business (as defined in the first paragraph of Section 4.9 and continue to participate in that Competing Business while at the Company's Presidential Director leadership level, then you will be 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.
4.9.5	You shall not offer for sale any non-Company products or promote any non-Company business opportunity at any Company meetings, seminars, conventions, trips, or other Company events or functions (collectively, "Company Events") regardless of whether or not the Company Events are sponsored in whole or in part by the Company or Company Associates.		In consideration of the Company agreeing to you joining the Presidential Ambassador Program as a "Presidential Ambassador" and to you becoming entitled to the benefits of that the Presidential Ambassador Program, you agree to the following conditions:
4.9.6	To reasonably protect the goodwill and legitimate business of the Company, during the Restraint Period and within the Restraint Area (each as set out in 4.9.6.1) you will not, without the prior written consent of the Company directly or indirectly recruit (as defined in clause 4.9.1), or assist any other person to recruit, any Associate or any person or entity who or which has been an Associate within one (1) year prior to the date of recruitment into any Competing Business which advertises, sells or offers for sale any Competing Products as defined in clause 4.9.3.	4.9.8.1	You shall not become an owner, officer, director, employee, consultant, contractor, or subcontractor, directly or indirectly, of any Competing Business. Questions regarding your compliance with this Section 4.9.8.1 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 Competing Business is compliant under this Section 4.9.8.1 will be made by the Company on a case-by-case basis.
4.9.6.1 "Restraint Period" means, from the date of termination of your Associate Agreement by either party:		4.9.8.2	You shall not, directly or indirectly, build a downline or otherwise recruit Company Associates or Members in or for another Competing Business for yourself or any other party. This provision includes opportunities to participate in new Competing Businesses and in any Competing Businesses you participate in at the time you became, or become, a Presidential Director of the Company. (Please see Section 4.9.1 for the definition of "recruit" and the second paragraph of Section 4.9 for the definition of "participate.")
(i) 18 months;		4.9.8.3	As a Presidential Ambassador, you shall not promote or host informational or training meetings, publicly receive recognition or rewards from stage, or appear in promotional materials or announcements for any Competing Company.
(ii) 12 months;		4.9.8.4	You shall not attempt to subvert or otherwise avoid the spirit and intent of these rules through the use of "ghost" accounts, under the name of trust accounts, spouses, life partners, relatives, or members of the same household.
(iii) 6 months; or			<i>For the purposes of this provision, the term "ghost account" means an account using an alias or fictitious name designed to hide or obscure the identity of the individual entitled to the benefit of the account.</i>
(iv) 3 months.]		4.9.8.5	Your failure to comply with the terms of this Section 4.9.8 (and all subsections) precludes your participation in the Ambassador Program. Furthermore, any violation of this Ambassador Program provision will result in you being deemed ineligible to participate in the Ambassador Program and your right to receive all benefits and privileges of the
"Restraint Area" means:			
(i) Australia;			
(ii) Australia and any other country in which you or any Associate in your downline resides or carries on the business of an Associate;			
(iii) each State or Territory in Australia in which you or any Associate in your downline carries on business;			
(iv) Any place within Australia in which you or any Associate in your downline carries on business and the area within 10 kilometres of that place.			
4.9.6.2 Each restraint contained in this clause 4.9.6, resulting from any combination of the wording in clauses 4.9.6 and 4.9.6.1 constitutes a separate and independent provision, severable from the other restraints. If a court of competent jurisdiction finally decides any such restraint to be enforceable in whole or in part, the enforceability of the remainder of that restraint and any other restraint will not be affected.			

Ambassador Program will cease. Further, you may be in breach of the Agreement and the Compliance Committee may render one or more sanctions against you, up to and including termination, as stated in Section 6.12.13.

4.10 RENEWALS

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

4.11 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 organisation. Downline reports are the confidential, proprietary property and trade secrets of the Company. 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. You must comport with all restrictions as indicated in "Requirement for Confidentiality" as outlined herein. Failure to observe confidentiality regarding the contents of a downline report is grounds for termination of the Agreement and/or legal recourse including injunctive relief, all parties agreeing that the Company would suffer irreparable harm if you disseminate confidential downline information. The Company specifically reserves the right to seek injunctive relief or any other legal remedy available at law to protect its confidential information.

4.12 CONFIDENTIAL PROPRIETARY COMPANY INFORMATION/REPORTS PROVIDED TO ASSOCIATES.

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

- 4.12.1 You shall at all times and without limit in time treat such details as confidential information in the nature of a trade secret and shall not disclose such details to any other person (including any company or person in competition with the Company) without the written authorisation of the Company and shall take all reasonable steps to protect and maintain the security of the information and shall use the details solely for the benefit of the business of the Company and for the stated purpose for which they were provided
- 4.12.2 You shall not release, sell, reproduce for sale or in any way distribute this information to any other Associate (including but not limited to crossline Associates), individual or any other party unrelated to the Company
- 4.12.3 You shall not during the term of the Agreement or for a period of one (1) year thereafter take or encourage any action, the purpose or effect of which would be to circumvent, breach, interfere with or diminish the value or benefit of the Company's genealogies and, without prejudice to the generality of the foregoing.
- 4.12.4 You shall only use the Confidential Information for your Mannatech business

and shall return copies of any such information to the Company forthwith upon termination of the Agreement for whatever reason.

- 4.12.5 The Company shall suffer irreparable harm in the event its confidential and proprietary information is disseminated in a manner in contravention of its interests. The Company reserves the right to seek injunctive relief or any other remedy available at law to protect its Confidential Information.

- 4.12.6 The Company will suspend your access to its Confidential Information during any Associate Disciplinary proceeding, and thereafter.

4.13 BUSINESS PERIODS

- 4.13.1 Business Periods end every 28 days on Friday.
- 4.13.2 Commissions of less than AUD10 will be carried to the next pay period or until AUD10 has been earned. All commissions are paid in Australian dollars.
- 4.13.3 Commissions paid on Member purchases will be paid on the product cheques issued two weeks after the end of the Business Period.
- 4.13.4 Commissions earned amounting to less than AUD30 in a calendar year will be forfeited after one year.
- 4.13.5 No commissions, bonuses, and/or incentives will be paid until the Company receives the signed application or, when registering electronically, the e-signature of the Associate accepting the Terms and Conditions.
- 4.13.6 The preferred method of payment of commissions is via direct deposit which can be applied for online or by submitting MOD AU1810202.

4.14 TAXES

- 4.14.1 The Company does not deduct personal taxes from commission or bonus payments, unless required to do so by law. Refer to the "Tax Status Advice Form" MOD AU 1808802.
- 4.14.2 Intentionally left blank.
- 4.14.3 As an independent contractor, you are responsible for completing your own annual tax return for any income tax owed on income earned as an Independent Associate.
- 4.14.4 GST will be paid on commissions paid out to Independent Associates if the Company has been advised of the Independent Associates GST registration by way of the "Tax Status Advice Form" MOD AU 1808802.

4.15 COMMISSION RESEARCH REQUESTS

- 4.15.1 All commission research inquiries must be submitted in writing to the Company within 45 days of the cheque in question.
- 4.15.2 Claims for errors in commission payments and requests for recalculation of commissions must be submitted in writing. If you submit the request ("Requesting Associate") you must obtain, in advance, (i) a written approval from the upline Associate who received the income in error (ii) an approval 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 cheque should the recalculation prove an error was made in the original commission payment. The Company is not responsible for recalculating commissions for Independent Associates who do not follow all of the steps as outlined above.
- 4.15.3 Only Company errors will be recalculated without written authorisation.
- 4.15.4 The Company reserves the right to withhold any money owed by you to the Company from future commission payments, including but not limited to any erroneous or other overpayment of commissions, or money owed to the Company or to other Associates including commissions paid on returned or refunded products or packs.

5. OPERATIONS, ORDERING, PRODUCT RETURNS, REFUNDS AND SHIPPING

5.1 ORDERING

- 5.1.1 Telephone orders will be accepted with credit card payment or via Direct Debit (if Direct Debit has been previously set up with the Company). Call the Company at 1300 361 878 to order. Do not mail the hard copy of the order to the Company when ordering by telephone.

5.1.2 To order by fax, fax the completed Product Order Form-including credit card or direct debit information, on a completed Product Order Form. Do not mail the hard copy of order to the Company.

5.1.3 To order by mail, submit a completed Product Order Form with credit card information, cheque, bank cheque, direct debit or money order.

5.1.4 Independent Associates and members are not obliged to use the Product Order Form, but must include all the required information when placing an order with the Company.

5.2 MAIL ORDERS

All product orders received by mail that are not properly completed and signed will be returned to you. Orders with no payment or incomplete payment enclosed cannot be processed. Unless the Company otherwise announces special arrangements, the APO of the order will be credited in the Business Period in which the payment is received and approved. Payment for multiple orders with different account numbers included in one mailing can be covered with one cheque or money order.

5.3 AUTOMATIC ORDERS

5.3.1 You may participate in the optional Automatic Order Program. Actual Pay Out ("APO") is discounted 11% on automatic orders. You may participate in the Automatic Order Program upon enrolment as an Associate. Simply complete the Automatic Product Order Form (MOD AU1801602) or enter your details online at www.mannatech.com and identify the products you wish to have automatically sent to you each four-week period until you notify the Company to discontinue the Automatic Order ("AO"). The Company will automatically debit your credit card or direct debit your assigned bank account for the amount of the product order, GST and shipping charges. You must provide an updated expiration date for your debit or credit card to continue to receive AO.

5.3.2 Once initiated, the AO will remain in effect until terminated by you in writing, via phone or through the Internet.

5.3.3 You may make changes to the AO via the Internet, phone, fax or mail.

5.3.4 Automatic Orders are processed earlier than the scheduled date during the last week of the business period and during holiday weeks. Early processing ensures timely qualifications and deliveries. To avoid delays, all auto orders must be created or modified prior to the last Wednesday of a Business Period. You must also ensure that notification of changes must be made early when nearing a public holiday. Orders created or modified later than Wednesday will not generate until the following week.

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

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

5.4 RESERVED FOR FUTURE EXPANSION

5.5 PAYMENT OPTIONS

5.5.1 All payment for products and materials must be in Australian funds. Acceptable methods of payment include cash (for storefront orders only), personal cheque (drawn on Australian banks only), Company-accepted credit cards, direct debit and the following, which must be payable in Australian funds: bank cheque and money orders. Do not mail cash. The Company does not accept C.O.D. (Cash on delivery) orders.

5.5.2 Associates may complete a DDR form to schedule a financial institution to debit or credit funds automatically. The DDR form is available on Mannatech Online Documents (MOD 1802402). Any changes or termination of automatic debit must be done in writing and sent to the Company.

5.6 RETURNED CHEQUES, INSUFFICIENT FUNDS AND DECLINED CREDIT

All cheques returned by the payor bank will incur a \$20.00 AUS charge, and the Company reserves the right to refuse to accept personal cheques in the future. All monies owed to the Company will be withheld from subsequent commissions or cheques until payment is settled.

5.7 CREDIT CARDS

Products and training materials can be purchased with Company-accepted credit cards via phone, fax and internet. The credit card holder must sign all credit card orders/payments (including Auto Orders and changes). You may only use credit cards that belong to you or for which you are a valid user. Any Associate found to process orders without the consent of the card holder is in violation of federal and state laws and will be subject to immediate termination of their agreement. Any Associate causing an unwarranted charge back to the company due to an unauthorised transaction will be subject to immediate termination of their agreement. Credit card disputes must be presented to the Company in writing within one (1) year from the date of the transaction.

5.8 GOODS AND SERVICES TAX (GST)

5.8.1 Products and shipping charges are subject to applicable GST levied by federal government. The "Amount Due" on an Associate Product Order Form is inclusive of GST where applicable.

5.8.2 You must comply with all laws of Australia governing the sale or tax applied on the sale of Company products.

5.9 PURCHASE FOR OWN USE (INVENTORY REQUIREMENTS)

Although your primary obligation is to obtain orders for the Company's products on behalf of the Company, you may buy at the Associate Discounted Retail Price the Company's product for your own use or for promotional purposes. If you buy product for your own use or for promotional purposes, title in such product will pass from the Company to you at the earlier of (a) the time you appropriate the product for your own use or promotional purposes or (b) 14 days from date of delivery of such products.

5.10 STOCKPILING PRODUCT

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

5.11 INTENTIONALLY LEFT BLANK

5.12 PRODUCT REPLACEMENT OF DEFECTIVE PRODUCT/QUALITY CONTROL

Determination of defective products is at the Company's discretion. The Company will replace any defective product with same or similar goods for reasons of quality control or within thirty (30) days of purchase with the same or similar goods. However, no product(s) should be returned to the Company without prior approval. To assure that replacement of products or refund will be issued, you must comply with the following procedures:

(a) You must submit, in writing to the Company, the reason for requesting product replacement or refund. Proof of payment and a copy of the Company Product Order packing slip must accompany requests. The Company cannot process returns without authorisation, unauthorised returns will be destroyed, and no replacement or refund will be given

(b) The Company will instruct you where to ship the products for inventory verification and will provide authorised product return shipping labels. Upon receipt and verification of the product, the Company will ship replacement product or issue a refund to you

5.13 SATISFACTION GUARANTEE/REFUNDS/RETURNS/EXCHANGES

Participation in the Career and Compensation plan is optional. 1. Various incentives/programs/awards/trips (hereafter "incentives") may have specific return/refund/exchange criteria. Ensure that you read the guidelines/rules for all such incentives. 2. Stockpiling to qualify for incentive is prohibited; this is inclusive of those products you purchase under downline accounts. Associates earning commissions/bonuses/incentives may be subject to the Stockpiling

(Section 5.10) or the 70% Rule (Section 5.11). The company will have the final decision whether any products purchased in order to qualify for commissions /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 subjected to Company approval. Based on the company's decision, this may lead to decreased return/refund/exchange amounts and/or loss of commissions/bonuses/incentive/qualifications, etc.

5.13.1 Satisfaction Guarantee for Independent Associates

5.13.1.1 Associates have 90 days from the date of purchase to return products purchased for a 100% refund excluding shipping. Corporate literature / Mannatech Promotional Materials are not considered products for purposes of the Satisfaction Guarantee. Please refer to Mannatech's Product Exchanges policy 5.13.3.

5.13.1.2 All Returns must have a Return Merchandise Authorisation (RMA) number assigned to them. This can be provided by contacting Customer Service 1300 361 878 during normal business hours.

- If you do not obtain a Return Merchandise Authorisation number and send the goods back unauthorised, the product will be destroyed and you will not be compensated.

- To return used products for a refund you must: Obtain a RMA number, complete the Return Authorisation Request Form, and Comply with instructions found on the Product Return Form (See Mannatech Online Documents)

5.13.1.3 Products purchased is defined specifically as either unopened product, partially used products or empty containers. Only items physically received from and purchased by the Associate are eligible for refund.

5.13.1.4 If an Associate returns products to the value of more than AUD500 on any given position, for a refund, or once the cumulative values of refunds reach the aforementioned values, that Associate will be considered to be voluntarily terminated.

- This excludes Pack refunds processed after the 14 day cooling off period. Under these circumstances, the position will be terminated and the cost of the pack refunded in full upon receipt of a completed and signed Voluntary Termination form.

- Partial pack refunds are not available however you may return some or all of the goods for a product exchange. The exchange will be calculated at the Associate price and the Associate is responsible for any costs incurred for the shipment of goods either to or from Mannatech's premises. Exchange is processed upon receipt of goods. Alternatively you may contact your upline who may arrange for purchase of products from you.

5.13.1.5 You are responsible for all costs associated with shipping the goods back to Mannatech.

5.13.1.6 The Associate must show proof that the products being returned were purchased by them by providing correlating order numbers from their original orders. Any products returned that do not correlate are not eligible for refund.

5.13.1.7 Excessive returns (as defined in Policy 5.13.1.4) in violation of this policy subjects the Associate to disciplinary action and/or termination of the Associate Agreement

5.13.2 Retail Customer Return Procedures

To return used products for a refund you must:

5.13.2.1 If purchased directly from the Company, Mannatech will process the return directly on behalf of the Associate. Follow the procedures found in 5.13.1.2; however, any commissions paid for the refunded order will be deducted from the Associates future commissions.

5.13.2.2 If purchased from an Associate, the Associate is obligated to provide refunds to their dissatisfied retail customers.

- For you to receive replacement product or an exchange on a retail sale, you are required to send the Retail Sales Invoice to the Company with a written statement from the retail customer verifying the customer did receive the refund following the procedures found in 5.13.1.2.

5.13.2.3 If the Company has to reimburse a Retail Customer as a result of misrepresentation, failure to refund by an Associate and/or for inaccurate information given on Company Refund Policy, the Company will collect the refunded amount within 30 days from future commissions. The Associate may be subject to termination if payment is not received in full as per the Associate disciplinary process.

5.13.3 Product Returns/Exchanges

5.13.3.1 For a period of 12 months from date of purchase, the company will exchange for equal value any unopened, undamaged, restockable product (i.e. not expired and with a minimum 90 days expiry). We will also exchange unused up-to-date Corporate literature / Mannatech Promotional Materials in good usable condition purchased as a stand-alone order (i.e. excluding Pack orders) within 30 days of the purchase date.

5.13.3.2 You are required to provide the original order number verifying the product purchase before a Return Authorisation will be issued. Follow the procedures found in 5.13.1.

5.13.3.3 All Exchanges will be done on a one-for-one equal value basis. Opened or dirty bottles will not be exchanged or returned to you.

5.13.3.4 You are responsible for all costs associated with shipping the goods back to Mannatech and for the cost of reshipping exchanged goods back to you.

5.13.3.5 There is no additional Actual Pay Out (APO) or Personal Point Volume (PPV) on exchanged orders.

5.13.3.6 Returned product has no cash value and will not be credited to your Mannatech account.

5.13.4 Refunds to Independent Associates & Voluntary Termination

Associates may request a refund on all unused products at the time the Voluntary Termination Form is submitted in writing to the Company. The Company will repurchase any unopened, restockable product, and any up-to-date Corporate literature that is in good, usable condition (collectively, "marketable inventory") subject to a 10% restocking fee. For the purpose of this Policy, Marketable Inventory shall be limited to that inventory returned no later than twelve (12) months after the original purchase date.

5.13.5 Commissions on Refunded Products

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

5.14 SHIPPING

5.14.1 Delivery Options

Your orders will be shipped prepaid via standard delivery. From the date of shipment, an order shipped by this method will typically arrive in 3 to 5 business days. The order is shipped to the address that you have provided to the Company. Costs for this prepaid standard delivery service are outlined on each Company Order Form.

5.14.2 Troubleshooting Recommendations

5.14.2.1 Someone should be available at the "Ship To" address to accept and inspect the delivery. If no one can be available, it is suggested that the "Ship To" address be that of a friend or relative.

5.14.2.2 Multiple packages shipped on the same date may not all arrive together. If this occurs, allow an additional two days for the balance of the order.

5.14.3 Freight Claims

5.14.3.1 Company products are in perfect condition when the carrier takes possession of shipment at the Company Distribution Centre. By signing "received" on their shipment receipts, recipients are indicating that the order was received in satisfactory condition. You should sign only for the number of packages received and should note any damage or shortages on the carrier's documents before the carrier leaves.

5.14.3.2 Lost shipments (complete or partial) must be reported to the Company within seven days after estimated time of arrival.

5.14.3.3 Hidden damage, discovered after the carrier has left the recipients premises, must be reported to the Company within seven days. Keep the shipment in the original package. The carrier will send a representative to examine it.

5.14.3.4 When you contact the Company about freight claims, the Company will initiate the proper procedures and follow the investigation through to completion.

6. LAWS, REGULATIONS AND DISCIPLINARY PROCEDURE

6.1 AMENDMENTS TO POLICIES AND PROCEDURES

The Company specifically reserves the right to make any changes it deems necessary to any Policy, Compensation Plan, pricing and/or business feature upon sixty (60) days prior written or printed notice to Associates on Mannatech Online Documents and/or in other printed materials. Any revisions to the Policies & Procedures and Compensation Plan shall become binding on all Associates upon sixty (60) days after the publication of such revisions on Mannatech Online Documents or as officially announced in any Company communication.

6.2 REMOVAL OF POLICIES AND PROCEDURES

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

6.3 ASSIGNMENT

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

6.4 GOVERNMENTAL LAWS

6.4.1 You agree that you will comply with all applicable laws including, without limitation, the Competition and Consumer Act 2010 (including, without limitation, the provisions relating to unsolicited consumer agreements) and State and Territory fair trading legislation, where applicable.

6.4.2 You may not represent that the Company has been approved or endorsed by any governmental agency including the Therapeutic Goods Administration.

6.4.3 If you are found to have violated Federal, State or Territory 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.

6.4.4 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:

6.4.4.1 Offer for sale, sell, market, or distribute Company products or promotional materials to teachers, students, 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 students or school employees; or

6.4.4.2 Recruit for enrollment as an Associate any students, 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 students or school employees.

6.4.4.3 Nothing in this policy precludes teachers, employees or administrative officials acting in their private capacity as permitted by applicable law from being Mannatech Associates.

6.4.5 Associate Committing a Crime Connected to Mannatech Business

6.4.5.1 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.

6.4.5.2 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.

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

6.4.6 You are solely responsible for registering and/or obtaining any licenses required to sell the products.

6.4.7 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

You may not contact any government regulators (e.g. Therapeutic Goods Administration, Australian Competition and Consumer Commission, various state Departments of Health, or Department of Business or Consumer Affairs) on behalf of the Company. If you are contacted by a government regulator, you should contact the Legal or Regulatory Affairs Department of the Company at 0011 1 972.471.7400.

6.6 RESERVED FOR FUTURE EXPANSION

6.7 SALES OF UNLISTED PRODUCTS BY AN ASSOCIATE

Prior to selling products in Australia, Company products must be approved and registered by the Therapeutic Goods Administration. You are strictly prohibited from displaying or selling products which have not been approved for sale and or distribution in Australia. It is an offense to import, manufacture, supply or advertise therapeutic goods in Australia unless the therapeutic good is registered or listed, or unless the good is exempted from registration or listing (Therapeutic Goods Act ss.20, 22). Only those products listed in Company-produced materials as approved for use in Australia may be promoted or sold. You should not infer that you can supply Company products that have not been approved by the Therapeutic Goods Administration. It is an offense to intentionally or recklessly claim by any means that a person can arrange the supply of therapeutic goods that are not registered goods or listed goods (TG Act ss.22 (6)).

6.8 REQUIREMENT FOR REGULATORY TRAINING

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

6.9 MONITORING OF MEETINGS

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

6.10 REPORTING OF VIOLATIONS

Our products are regulated by the government and the way we promote our products is governed by Australian federal laws. 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 assure 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 to Customer Service (02) 8437 7400.

6.11 RESOLUTION OF DISPUTES

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

6.12 DISCIPLINARY PROCEDURE

6.12.1 Allegations of a violation of a Policy or "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 F1 may be reported via phone (Australia) by calling 1800 339 276 or via the Web at www.mannatech.ethicspoint.com. Notice that a F1 complaint has been filed will be communicated to the Respondent's first upline Presidential and the Respondent's upline Platinum Presidential.

- 6.12.2 An "Issue" must be instituted within six (6) months of its occurrence, unless good cause is shown for the delay.
- 6.12.3 All references in these Policies 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, 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 in 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 & 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 only consider written statements and oral position presentations as to the alleged infraction. The decision of the Committee as to the validation and/or disciplinary action imposed (if any) shall be determined by a confidential majority vote.
- 6.12.13 Except as set forth in 6.12.14 below, the Committee may impose any one or a combination of the following sanctions:
- 6.12.13.1 A Written Warning clarifying the meaning and application of a specific Policy or Procedure and advising that a continued breach will result in further sanctions.
- 6.12.13.2 Probation, which may include requiring an Associate to take remedial action and could include follow-up monitoring by the Company to ensure compliance with the Agreement.
- 6.12.13.3 Suspension of certain Associate privileges, including but not limited to placing product orders, participating in Company programs, progressing in the Compensation Plan, or participating as a sponsor (including participating as an International Sponsor) for a period of time or until the Associate satisfies certain specified conditions.
- 6.12.13.4 Withdrawal or denial of an award or recognition, or restricting participation in Company-sponsored events, either for a specified period of time or until you satisfy certain specified conditions.
- 6.12.13.5 Withholding commissions or bonuses for a specified period of time, or until you have satisfied certain specified conditions.
- 6.12.13.6 Imposing fines or other penalties permitted by law.
- 6.12.13.7 Termination of your Associate Agreement.
- 6.12.14 In cases where it is determined by the Compliance Committee that the Independent Associate has made a claim that Company products cure, treat, mitigate, or prevent a specific disease (a "Disease Claim Violation"), the Compliance Committee shall make a specific finding whether the Disease Claim Violation was isolated and trivial.
- 6.12.14.1 If the Disease Claim Violation is found to be isolated and trivial, the Compliance Committee shall impose sanctions set forth in 6.12.13 sufficient to make the Independent Associate aware of the severity of the infraction and to insure future compliance with the policies concerning disease claims.
- 6.12.14.2 Unless the Disease Claim Violation is found to be isolated and trivial, the Compliance Committee shall impose the sanction of termination, mandate a minimum 2-year waiting period before the Independent Associate can apply for reinstatement, and enter an order that the terminated Associate permanently lose his/her downline and the right to any compensation from that downline.
- 6.12.15 The Committee shall render its decision in a Disposition Notice. The Director of Compliance shall send the Initiator and Respondent the Disposition Notice within three (3) business days of its rendition.
- 6.13 DISCIPLINARY APPEAL PROCEDURE**
- 6.13.1 If you have been the subject of disciplinary action (either the Initiator or Respondent), you may appeal the determination of the Compliance Committee contained in the Disposition Notice by submitting to the General Counsel of the Company an appeal in writing outlining your reasoning as to why the disciplinary action is inappropriate and/or any new evidence not available for Committee review. The Appeal must be received by the 30th calendar day after you have received the Disposition Notice informing you of the disciplinary action (the "Appeal Period"). It is presumed that you received the Disposition Notice no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.13.2 All Committee sanctions and recommendations are effective immediately upon receipt of the Disposition Notice.
- 6.13.3 The appeal will be considered by a three (3) member subcommittee consisting of Vice-Presidential level or above, none of whom were involved in the original Compliance Committee review process (the "Appeal Panel"). The Appeal Panel may not consist of any of the following individuals: a current member of the Board of Directors or the head of Legal & 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 and/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 D/B/A, corporation, partnership, trust, or any other affiliated positions in which

- the Independent Associate has a vested interest.
- 6.14.5 Subject to Company review of all potential claims, once a position is terminated all commissions and/or bonuses otherwise entitled to the terminated position will roll up to the next qualified position.
- 6.14.6 The Company reserves the right to terminate an inactive position. An “inactive position” is defined as one that is past its renewal date and having no activity for six (6) full consecutive business periods.
- 6.15 EFFECT OF TERMINATION**
- 6.15.1 Upon termination, whether voluntary or Company-initiated, you shall have no right, title or claim to compensation derived from the sales of products in your down-line organisation or any future bonuses and/or commissions from sales generated by the organisation. You:
- 6.15.1.1 Shall not refer to yourself as a Mannatech Independent Associate.
- 6.15.1.2 Shall not have the right to sell the Company products.
- 6.15.1.3 Must discontinue using any materials bearing any Company logo, trademark or service mark.
- 6.15.1.4 Shall not continue to communicate with the Company except as required to perfect and pursue an appeal of the termination or to request reinstatement pursuant to 6.18 of these Policies and Procedures.
- 6.15.1.5 Shall not work for, work with, or otherwise assist or be utilised in any capacity by Mannatech Independent Associates in the operation of their business. This includes, but is not limited to, performing any functions in sales, support, promotion, or in conducting meetings of any nature related to Mannatech business.
- 6.15.2 If you are terminated for a Disease Claim Violation pursuant to 6.12.14.2, you permanently lose your down-line, the right to any compensation from that down-line, and must wait a minimum of two years before you may apply for reinstatement.
- 6.16 SANCTIONS**
- The Policies & Procedures is incorporated into the Associate Application and Agreement and constitutes an integral part of the parties’ agreement regarding their business relationship. Independent Associates who conduct business in violation of these Policies & Procedures jeopardise the integrity and credibility of the Company. Where the actions of an Independent Associate are deemed egregious by the Company, the Company reserves the right to assess disciplinary sanctions, up to and including termination of Independent 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 THE COMPANY**
- 6.17.1 Except for Independent Associates terminated for Disease Claim Violations, an Independent Associate (individual, entity, or otherwise) terminated by the Company (the “Terminated Associate”) may not seek reinstatement as a Mannatech Independent Associate until the expiration of 365 days after the effective date of termination.
- 6.17.1.1 Independent Associates terminated for Disease Claim Violations pursuant to 6.12.14.2 may not seek reinstatement until the expiration of two full years (730 days) after the effective date of termination.
- 6.17.2 The Terminated Associate shall submit a written request for reinstatement to the General Counsel of the Company. The request should outline the reasons for reinstatement, and shall be accompanied by a fully-executed Associate Application & Agreement with new pack purchase (as set forth in 1.31 of these Policies and Procedures).
- 6.17.3 The request shall be considered by the Appeal Panel (as established by 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 you received the decision of the Appeal Panel no later than three (3) business days after it was sent by the Company (seven [7] business days if it was sent internationally).
- 6.17.5 If the request for reinstatement is rejected, the Terminated Associate must wait an additional 365 days before making another request for reinstatement.
- 6.17.6 If the request for reinstatement is approved, the Terminated Associate becomes a new Independent Associate. The Terminated Associate does not return to the position held prior to termination.
- 6.17.6.1 If a Disease Claim Violation was involved, the reinstated Terminated Associate is precluded from reentering his previous downline.
- 6.18 INDEMNIFICATION**
- You shall indemnify and hold harmless the Company against any claims, demands, liability or loss, or cost or expense, including but not limited to attorney’s fees arising or alleged to arise out of your operations. Holding a Company account does not imply authority to act on behalf of or bind the Company contractually.
- 6.19 ARBITRATION AND GOVERNING LAWS**
- 6.19.1 All parties agree that any claim, dispute, or other difference between the Independent Associate, its owners, its 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. If any dispute arises out of, relates to, or is in connection with this Associate Application and Agreement, these Policies and Procedures or the Compensation Plan or their validity, the dispute is to be finally settled by Arbitration in Sydney by a single arbitrator in accordance with the Commercial Arbitration Act 1994 of New South Wales. The obligation to arbitrate expressly survives voluntary or involuntary termination of the Independent Associate position to the extent that the claim, dispute or other difference involves any such matter as it pertains to breach of the confidentiality provisions contained herein. The Australian Associate Application and Agreement is governed by the laws of the State of New South Wales.
- 6.19.2 Each Independent Associate and the Company hereby agree to venue and jurisdiction of the Court of New South Wales and agree to personal jurisdiction in the Court of New South Wales for the resolution of any claim, demand or cause of action between the Independent Associate and the Company.

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.

2013 Index to Updates and Changes to MOD AU1290102

Australian Policies & Procedures

As of 30 Aug 2013

There are changes to the following:

- 2.27 Reserved for Future Expansion
- 2.28 Conduct Detrimental to Mannatech
- 4.9 Unauthorised Recruiting of Associates and Sale of Competing Products
- 5.3.1 Automatic Order
- 5.13 Satisfaction Guarantee
- 6.14.1 Termination of the Agreement by the Company

Note: For information on Member accounts, refer to MOD AU1801102 AUS Member Policies & Procedures



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