

## 2017 U.S. INCOME AVERAGES STATEMENT MANNATECH CAREER AND COMPENSATION PLAN

Active Associate Level	No. of Associates at this Level (BP 2017–13)	Percentage of All Active Associates	Percentage of All Business Builder Associates	No. of Associates at this Level (for all 6 BPs, BP 8 to BP 13, 2017)	BP 8 to BP 13, 2017 Income High <sup>1</sup>	BP 8 to BP 13, 2017 Income Low <sup>1</sup>	BP 8 to BP 13, 2017 Income Average
Non-Leadership Level	4147	41.182%	64.655%	1407	\$6,956.92	\$36.37	\$137.38
Silver Associate	372	3.694%	5.800%	59	\$274.76	\$31.02	\$71.91
Gold Associate	827	8.213%	12.894%	179	\$851.26	\$74.81	\$228.08
Director	331	3.287%	5.161%	42	\$1,896.69	\$265.75	\$567.64
Silver Director	210	2.085%	3.274%	22	\$2,683.23	\$502.26	\$1,079.59
Gold Director	128	1.271%	1.996%	15	\$2,149.99	\$1,309.17	\$1,660.26
Executive Director	111	1.102%	1.731%	7	\$3,621.09	\$2,366.52	\$3,113.34
Silver Executive Director	148	1.470%	2.307%	55	\$14,721.17	\$2,605.05	\$5,936.08
Gold Executive Director	64	0.636%	0.998%	27	\$17,654.34	\$6,496.98	\$11,268.39
Presidential Director	31	0.308%	0.483%	23	\$35,802.59	\$9,779.74	\$20,787.00
Bronze Presidential Director	20	0.199%	0.312%	13	\$64,123.41	\$23,265.78	\$39,928.88
Silver Presidential Director	16	0.159%	0.249%	10	\$138,224.87	\$55,767.32	\$82,315.91
Gold Presidential Director	5	0.050%	0.078%	4	\$99,852.55	\$62,435.48	\$84,711.98
Platinum Presidential Director	0	0.000%	0.000%	0			
1-Star Platinum Presidential Director	1	0.010%	0.016%	1			
2-Star Platinum Presidential Director	1	0.010%	0.016%	1			
3-Star Platinum Presidential Director	1	0.010%	0.016%	1			

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<sup>1</sup> These High, Low, and Average figures were calculated from all Active Associates who retained the specified level for the entire 6 Business Periods beginning July 1, 2017 through December 31, 2017.

<sup>&</sup>lt;sup>2</sup> Prior to the new plan, Mannatech divided each year into 13 four-week BPs.

<sup>&</sup>lt;sup>3</sup> For the 2017 reporting year, Mannatech maintained the 13 BP structure; however, commencing in 2018, there will be 12 BPs.



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On July 1, 2017 Mannatech launched a new Career and Compensation Plan (the "Plan"). The above figures are reflective of the average income earned under the plan by Active Associates beginning July 1, 2017 through December 31, 2017. Additionally, Mannatech transitioned from a 13-Business Period ("BP") calendar to a 12-month calendar under the new Plan. Each month is referred to as a BP. An Active Associate is an Associate who placed an order within the 6 BP period referred to as BP 8 2017 through BP 13 2017.<sup>3</sup>

- In BP 13 2017, the total number of Active Associates (Associates with a minimum of 100 Personal Point Volume in BP 13 2017 or Associates who earned commissions in BP 13 2017) was 10,070. Please see the Plan for a definition of Personal Point Volume "PV").
- The total number of Active Associates who were active in all 6 BPs is 6,141, meaning they
  had 100 PPV and/or earned commissions in all 6 BPs. 4,881 of the total Active Associates
  earned commission at least once between BP 8 2017 and BP 13 2017 and 3,403 Active
  Associates earned commissions in all 6 BPs.
- The total number of Associates who received commissions in BP 2017–13 was 6.414.
- Total number of Associates who had at least 100 PPV, but did not earn commissions in BP 2017–13 was 3656. These Associates are sometimes referred to internally as "Consumer Associates" because they ordered product, but did not earn any income. These Consumer Associates benefit from buying Mannatech products at a discounted price for themselves and their families. Some Consumer Associates may retail Mannatech products to others; however, this income is not included in the table above. Under the new Plan, our Preferred Customers (formerly referred to as Members) receive the same price as our Associates. Because of this new pricing structure, we believe that some of these "Consumer Associates" will renew their account as Preferred Customers.
- The total number of Associates who received commissions in all 6 BPs, but did not earn a leadership level in any of these 6 BPs is 1,407.
- The total number of Associates who in enrolled in the Plan before December 31, 2017 is 74,098.
- The total number of Associates who enrolled between July 1, 2017 and December 31, 2017 is 1.318.
- The total number of Associates who enrolled before BP 13 2017 and with 100 PPV in at least one of the BPs in the 6BP period is 17,838.

All income is earned on the sale of Mannatech products. No benefits or bonuses are paid or received solely from recruiting or sponsoring other Associates into the Plan and no earnings are guaranteed for mere participation in the Plan.

The figures above do not include any retail profit that an Associate may earn from selling Mannatech products to others. Associates must supply sales receipts to all retail customers and must maintain copies of sales receipts for at least two years. The figures above do not include expenses incurred by Associates in the operation and promotion of their Mannatech business. These expenses vary from Associate to Associate. By way of example, these expenses may include product samples, training, rent, travel expenses, telephone and Internet costs, and other business-related expenses. The Associate earnings in the above chart are not necessarily representative of the income that an individual can or will earn through his or her participation in the Plan. These figures should not be regarded as a guarantee or projection of actual earnings. Actual earnings depend on your individual efforts, the customer base available to you and the time devoted to your business. These factors differ from Associate to Associate.

Associates may request a refund under our satisfaction guarantee policy. Please see Section 5.13 of Mannatech's Associate Policies and Procedures. This 2017 Income Averages disclosure is not for use in Georgia, Louisiana, Maryland, Massachusetts or Wyoming.

<sup>&</sup>lt;sup>1</sup>These High, Low, and Average figures were calculated from all Active Associates who retained the specified level for the entire 6 Business Periods beginning July 1, 2017 through December 31, 2017.

<sup>&</sup>lt;sup>2</sup> Prior to the new plan, Mannatech divided each year into 13 four-week BPs.

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