

MANNATECH INC
Form DEF 14A
April 19, 2019
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

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Mannatech, Incorporated
(Name of Registrant as Specified In Its Charter)

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FLOWER MOUND, TEXAS

April 19, 2019

Dear Shareholder:

This letter extends to you a personal invitation to join us at our 2019 Annual Shareholders' Meeting on Tuesday, June 11, 2019, at 9:00 a.m., Central Daylight Time, at the corporate offices of Mannatech, Incorporated, located at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028.

The purpose of this year's meeting is to (i) elect three Class II directors, (ii) ratify the appointment of our independent registered public accounting firm, (iii) hold an advisory vote on executive compensation ("Say-on-Pay"), (iv) hold an advisory vote on the frequency of future advisory votes on executive compensation ("Say-on-Frequency") and (v) approve an amendment to the 2017 Stock Incentive Plan to increase the number of shares of common stock subject to the plan by 120,000 shares.

We have enclosed with this letter an official notice of our 2019 Annual Shareholders' Meeting and proxy statement, which contains further information about the items to be voted on and information about the meeting itself, including a description of the matters to be considered and acted on at our 2019 Annual Shareholders' Meeting.

REMEMBER, regardless of the number of shares that you hold, your vote is very important to our business and to us. Whether or not you plan to attend our 2019 Annual Shareholders' Meeting, we urge you to cast your vote by telephone or through the Internet by following the instructions included on the Notice of Internet Availability of Proxy Materials that you received, or if you received a paper copy of the proxy card, to mark, date, sign and return the proxy card in the envelope provided. You may still vote in person if you attend the meeting, even if you have previously given your proxy.

We want to thank you for your ongoing support and we hope to see you at our 2019 Annual Shareholders' Meeting.

Sincerely,
J. Stanley Fredrick
Chairman of the Board of Directors

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MANNATECH, INCORPORATED
NOTICE OF OUR 2019 ANNUAL SHAREHOLDERS' MEETING
TO BE HELD ON JUNE 11, 2019

TO THE SHAREHOLDERS OF MANNATECH, INCORPORATED,

The 2019 Annual Shareholders' Meeting of Mannatech, Incorporated will be held at the corporate offices of Mannatech, Incorporated, located at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028, on Tuesday, June 11, 2019, at 9:00 a.m., Central Daylight Time, for the following purposes:

- Proposal 1 – To elect Messrs. J. Stanley Fredrick, Eric W. Schrier, and Tyler Rameson as Class II directors;
 - Proposal 2 – To ratify the appointment of BDO USA, LLP as our independent registered public accounting firm for the year ending December 31, 2019;
 - Proposal 3 – To hold an advisory vote on executive compensation (“Say-on-Pay”);
 - Proposal 4 – To hold an advisory vote on the frequency of future advisory votes on executive compensation (“Say-on-Frequency”);
 - Proposal 5 – To approve an amendment to the 2017 Stock Incentive Plan to increase the number of shares of common stock subject to the plan by 120,000 shares;
- and
- To act upon such other matters as may properly come before our annual meeting.

Our Board of Directors has set the close of business on April 12, 2019 as the record date for the determination of shareholders entitled to receive notice of and to vote at our 2019 Annual Shareholders' Meeting or any adjournment(s) thereof.

By order of our Board of Directors,
J. Stanley Fredrick
Chairman of the Board of Directors

Flower Mound, Texas
April 19, 2019

IMPORTANT

Whether or not you expect to attend the 2019 Annual Shareholders' Meeting, we strongly urge you to cast your vote by telephone or through the Internet by following the instructions included on the Notice of Internet Availability of Proxy Materials that you received, or if you received a paper copy of the proxy card, to mark, date, sign and return the proxy card in the envelope provided, prior to the meeting on June 11, 2019, to help ensure the presence of a quorum for the meeting and to save the expense and extra work of additional solicitation. Voting by proxy by any method prior to the meeting will not prevent you from attending the 2019 Annual Shareholders' Meeting or revoking your prior vote and voting at the 2019 Annual Shareholders' Meeting.

In accordance with rules promulgated by the SEC, we are providing access to our proxy materials, including this proxy statement and our annual report on Form 10-K, for the year ended December 31, 2018, over the Internet. As a result, we are mailing to many of our shareholders a Notice of Internet Availability of Proxy Materials instead of a paper copy of our proxy materials. The notice contains instructions on how to access those proxy materials over the Internet, as well as instructions on how to request a paper copy of our proxy materials. All shareholders who do not receive a notice will receive a paper copy of our proxy materials by mail. We believe that this process reduces the environmental impact and lowers the costs of printing and distributing our proxy materials.

MANNATECH, INCORPORATED
1410 Lakeside Parkway, Suite 200
Flower Mound, Texas 75028

PROXY STATEMENT FOR OUR 2019 ANNUAL SHAREHOLDERS' MEETING
TO BE HELD ON JUNE 11, 2019

GENERAL INFORMATION ABOUT OUR 2019 ANNUAL SHAREHOLDERS' MEETING

General Information

Our Board of Directors (the "Board") is soliciting the enclosed proxy for use at our 2019 Annual Shareholders' Meeting to be held on June 11, 2019 at 9:00 a.m., Central Daylight Time, at the corporate offices of Mannatech, Incorporated located at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028. The Notice of Internet Availability of Proxy Materials is being mailed or delivered on or about April 19, 2019, to shareholders of record owning our common stock on the close of business on April 12, 2019. Paper copies of our proxy materials are being mailed or delivered on or about April 19, 2019, to shareholders of record who have previously requested to receive paper copies of proxy materials. The list of frequently asked questions is attached to this proxy statement as Appendix A. Unless otherwise stated, all references in this proxy statement to "Mannatech," the "Company," "us," "our," or "we" are to Mannatech Incorporated, a Texas corporation.

Shareholders Entitled to Vote

Shareholders who owned our common stock as of the close of business on April 12, 2019, the record date, are called "shareholders of record" and are entitled to vote at the 2019 Annual Shareholders' Meeting. As of April 12, 2019, we had 2,395,655 outstanding shares of our common stock, \$0.0001 par value per share, which is our only class of outstanding voting securities. As of April 12, 2019, we had 1,275 shareholders of record. Each share of our common stock entitles a shareholder to one vote. A complete list of direct shareholders entitled to vote at the 2019 Annual Shareholders' Meeting will be available for examination by shareholders for purposes pertaining to the 2019 Annual Shareholders' Meeting at our corporate office in Flower Mound, Texas during normal business hours from May 31, 2019 until June 10, 2019. The shareholder list will also be available for review prior to and during the 2019 Annual Shareholders' Meeting to be held on June 11, 2019. A shareholder who wants to examine the list prior to our Annual Shareholders' Meeting should arrange an appointment by contacting our Investor Relations department at (972) 471-6512.

Voting in Person

If you are a shareholder of record and plan to attend the 2019 Annual Shareholders' Meeting, you may deliver your completed and signed proxy card in person. If a broker or bank holds your Mannatech shares in street name, and you wish to vote in person at the 2019 Annual Shareholders' Meeting, you will need to obtain a legal proxy form from your broker or bank that holds your shares of record and you must bring that document to the 2019 Annual Shareholders' Meeting.

Voting by Proxy

The proxy process is the means by which shareholders can exercise their rights to vote for the election of directors and other strategic corporate proposals. The notice of meeting and this proxy statement provide notice of a scheduled shareholder meeting, describe the proposals to be voted on by shareholders at the meeting and include other information required to be disclosed to shareholders. Shareholders may vote by telephone, through the Internet, or by

returning a proxy card, without having to attend the shareholder meeting in person.

By executing a proxy, you authorize Gerald Gilbert to act as your proxy to vote your shares in the manner that you specify. The proxy voting mechanism is vitally important to us. In order for us to obtain the necessary shareholder approval of proposals, a “quorum” of shareholders (a majority of the issued and outstanding shares of common stock as of the record date entitled to vote) must be represented at the meeting in person or by proxy. Since few shareholders can spend the time or money to attend shareholder meetings in person, voting by proxy is necessary to obtain a quorum and complete the shareholder vote. It is important that you attend the meeting in person or grant a proxy to vote your shares to assure a quorum

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is present so corporate business may be transacted. If a quorum is not present, we must postpone the meeting and solicit additional proxies; this is an expensive and time-consuming process that is not in the best interest of the Company or our shareholders.

Properly executed votes by proxy received prior to or at the 2019 Annual Shareholders' Meeting on June 11, 2019, or at any adjournment(s) or postponement(s) thereof, will be counted by Broadridge Financial Solutions, Inc., our Inspector of Elections. If a shareholder specifies how such shareholder's proxy-vote is to be cast on any business to come before the meeting, such proxy-vote will be voted in accordance with such specifications. If no specification is made on a properly executed proxy card, the shareholder's vote by proxy will be voted "FOR" Proposals 1, 2, 3 and 5, and "ONE YEAR" for Proposal 4, consistent with the recommendations made by the Board and as the proxy holder may determine in his discretion with respect to any other matters properly presented for a vote at the 2019 Annual Shareholders' Meeting. Other than the proposals described in this proxy statement, we are not aware of any other matters to be presented at the 2019 Annual Shareholders' Meeting.

Revoking or Changing a Proxy

A shareholder may revoke a vote by proxy at any time prior to the 2019 Annual Shareholders' Meeting. If you are a shareholder of record with direct ownership over your Mannatech common stock, your proxy can be revoked by (i) timely delivery of a written revocation delivered to Erin K. Barta, General Counsel and Corporate Secretary, Mannatech, Incorporated, 1410 Lakeside Parkway, Suite 200, Flower Mound Texas 75028; (ii) submission of another valid proxy bearing a later date; or (iii) attendance at the 2019 Annual Shareholders' Meeting in person and notice to the Inspector of Elections that you intend to vote your shares in person. If your Mannatech shares are held in street name by a broker or bank ("broker"), you must contact your broker in order to revoke your proxy, but generally, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker or nominee giving you the right to vote your shares, by attending the 2019 Annual Shareholders' Meeting and voting in person.

Effects of Not Voting

The effect of not voting depends on how you own your shares. If you own shares directly, as a holder of record, rather than indirectly through a broker of record, your unvoted shares will not be represented at our meeting and will not count toward the quorum requirement. Assuming a quorum is obtained, your unvoted shares will not affect whether a proposal is approved or rejected. If you own shares through a broker and do not vote, your broker may represent your shares at the meeting for purposes of obtaining a quorum. As described below, if you own your shares through a broker and you do not vote, your broker may or may not vote your shares, depending upon the proposal.

If you own your shares through a broker and you do not vote, your broker may vote your shares at its discretion on "routine matters." However, with respect to other proposals, a broker may not vote a non-voting shareholder's shares. With respect to proposals on which a broker may not vote a non-voting shareholder's shares, the aggregate number of non-voted shares is reported as "broker non-votes" (shares held by brokers or nominees for which they have no discretionary power to vote on a particular matter and have received no instructions from the beneficial owners or persons entitled to vote) and counted only for purposes of determining a quorum.

If you do not vote your shares on Proposal 1 (Election of Directors), Proposal 3 ("Say-on-Pay" Advisory Vote), Proposal 4 ("Say-on-Frequency"), and Proposal 5 (Amendment to 2017 Stock Incentive Plan), your brokerage firm cannot vote them for you and they will remain unvoted. Therefore, it is very important that you vote your shares for all proposals. Proposal 2 (Ratification of Auditors) set forth in this proxy statement is a routine matter on which brokers will be permitted to vote your shares at the broker's discretion if you do not provide your broker with instructions on how to vote on this matter.

Direct Ownership

For the purpose of determining how to vote your shares at the 2019 Annual Shareholders' Meeting, registered holders of record are deemed to have "direct ownership" over their Mannatech shares if they hold their shares directly in their name. This is typically evidenced by the receipt of our mailings directly from us or from our transfer agent, Computershare.

Beneficial Ownership

For the purposes of determining how to vote your shares at the 2019 Annual Shareholders' Meeting, you are deemed to have "beneficial ownership" over your Mannatech shares if you: (i) previously deposited your stock certificates with a broker; (ii) purchased your shares directly through a broker; or (iii) sent your stock certificates to a broker to be deposited into your brokerage account. Beneficial ownership is typically evidenced by a shareholder's receipt of our mailings either from a broker or through a solicitor, which is usually Broadridge Financial Solutions, Inc.

As a beneficial owner, a shareholder still holds Mannatech shares, but neither we nor our transfer agent has access to any list of individual shareholders' names from the various brokers of record. The only information our transfer agent has concerning shareholders who own stock through a broker is the broker's name, the aggregate total number of shares held by each broker on behalf of their clients, and the aggregate number of votes cast for any of our proposals.

WE CAUTION OUR SHAREHOLDERS THAT each brokerage firm has a unique set of voting instructions. As a result, a shareholder should always read all the information provided in each of the proxy information packets received and follow the specific voting instructions enclosed in each packet with respect to applicable telephone numbers, Internet addresses, mailing addresses, and attending or voting at the 2019 Annual Shareholders' Meeting.

If a shareholder receives more than one proxy information packet, such shareholder's shares are registered in more than one account. Again, remember that each proxy information packet may have different voting instructions, account or control numbers, mailing addresses, Internet addresses, and telephone numbers. As a result, each shareholder should be cautioned to use only the set of voting instructions, account and control numbers, addresses, and telephone numbers provided in such shareholder's proxy information packet to ensure such shareholder's vote for all of its owned shares is properly included in the tabulation of votes for our meeting.

Beneficial shareholders are also instructed to read their proxy-voting card instructions given to them by their brokers or their brokers' solicitors prior to the meeting in order to obtain instructions on how to vote at the meeting. If a beneficial shareholder does not follow the brokers' specific instructions, our Inspector of Elections is not allowed to count such beneficial shareholder's vote by ballot at the 2019 Annual Shareholders' Meeting.

Solicitation of Proxy-Votes

We may solicit proxy-votes through the mail, in person, and by telecommunications. We will bear all expenses in preparing, printing, and mailing the proxy materials to our shareholders.

Tabulating the Votes

A representative from Broadridge Financial Solutions, Inc., which will act as our Inspector of Elections, is responsible for tabulating the votes for the 2019 Annual Shareholders' Meeting. The presence, in person or by proxy, of the holders of at least a majority of the shares of our common stock outstanding as of April 12, 2019, our record date, is necessary to establish a quorum for the 2019 Annual Shareholders' Meeting. Abstentions and "broker non-votes," if any, will be counted as shares present and entitled to vote for purposes of determining a quorum for the 2019 Annual Shareholders' Meeting. A "broker non-vote" occurs when brokers holding shares in "street name" have not received voting instructions from the beneficial owner and either chooses not to vote those shares on a routine matter at the 2019 Annual Shareholders' Meeting or is not permitted to vote those shares on a non-routine matter. If a proxy-voting card is signed by the shareholder but submitted without specific voting instructions, the shareholder's vote will automatically be counted as a vote "FOR ALL" on Proposal 1 (Election of Directors), "FOR" on Proposal 2 (Ratification of Auditors), "FOR" on Proposal 3 ("Say-on-Pay" Advisory Vote), "FOR" on Proposal 5 (Amendment to 2017 Stock Incentive Plan), and "ONE YEAR" on Proposal 4 ("Say-on-Frequency"). If your shares are held in "street name" and you do not provide specific voting instructions to your broker, then your shares will not be included in the vote for Proposal 1 (Election of Directors), Proposal 3 ("Say-on-Pay" Advisory Vote), Proposal 4 ("Say-on-Frequency"), or Proposal 5 (Amendment to 2017 Stock Incentive Plan), but will be voted at the discretion of your broker with respect to Proposal 2 (Ratification of Auditors).

For Proposal 1 (Election of Directors) — Assuming a quorum is obtained, our Class II directors will be elected by a plurality of the shares represented, in person or by proxy, at the 2019 Annual Shareholders' Meeting and entitled to vote. This means that the three nominees receiving the highest number of affirmative votes at the meeting will be elected as our three Class II directors. Votes marked "FOR ALL" will be counted in favor of all three nominees. Votes marked "WITHHOLD ALL" will be counted against all three nominees. To specify differently, a shareholder must check the "FOR ALL EXCEPT" box and then write the names of the nominees for whom the shareholder wishes to vote against. Votes marked "WITHHOLD ALL" have no effect on the vote since a plurality of the votes is required for the election of each nominee. Shareholders may not abstain from voting with respect to the election of directors.

A shareholder cannot write-in the names of additional nominees when voting by proxy. However, at the meeting, shareholders of record will be allowed to write-in additional names of nominee(s) on the ballot. To write-in a nominee on the ballot, the shareholder will need to check the "FOR ALL EXCEPT" box and identify each of the nominees for which the shareholder does not wish to vote in the space provided. The shareholder will then be allowed to write-in only as many nominees as the shareholder has withheld votes from. For example, if there are a total of three nominees listed on the ballot and the shareholder wishes to withhold its vote for one of the three nominees, the shareholder should list the name of the one nominee for whom the vote is withheld and write-in one additional name for nominee to the Board.

(THE BOARD RECOMMENDS A VOTE "FOR ALL" PROPOSAL 1.)

For Proposal 2 (Ratification of Auditors) — If a quorum is obtained, and a majority of the shares represented, in person or by proxy, at the 2019 Annual Shareholders' Meeting and entitled to vote, are in favor of Proposal 2, the ratification of the appointment of our independent registered public accounting firm for the year ended December 31, 2019, will be approved. Votes marked "FOR" Proposal 2 will be counted in favor of the ratification of the appointment of our independent registered public accounting firm for the year ending December 31, 2019. An abstention from voting on Proposal 2 will not be voted on that item, although it will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an "ABSTENTION" will have the same effect as a vote "AGAINST" Proposal 2.

(THE BOARD RECOMMENDS A VOTE “FOR” PROPOSAL 2.)

For Proposal 3 (“Say-on-Pay” Advisory Vote) — If a quorum is obtained, and a majority of shares represented, in person or by proxy, at the 2019 Annual Shareholders’ Meeting and entitled to vote, are in favor of Proposal 3, the current executive compensation program will be approved by shareholders on an advisory basis. Votes marked “FOR” Proposal 3 will be counted in favor of the current executive compensation program. An abstention from voting on Proposal 3 will not be voted on that item, although it will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an “ABSTENTION” will have the same effect as a vote “AGAINST” Proposal 3. “Broker non-votes”

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are not considered shares entitled to vote for purposes of Proposal 3 and thus will have no effect on the outcome of the approval, on an advisory basis, of our executive compensation program.

(THE BOARD RECOMMENDS A VOTE “FOR” PROPOSAL 3.)

For Proposal 4 (“Say-on-Frequency” Advisory Vote) - If a quorum is obtained, the selection of the frequency of a shareholder advisory vote on executive compensation will be chosen by a plurality of the shares represented, in person or by proxy, at the 2019 Annual Shareholders’ Meeting and entitled to vote. This means the frequency receiving the highest number of affirmative votes at the meeting will be the frequency of future “Say-on-Pay” shareholder advisory votes that has been selected by our shareholders. For purposes of the vote on Proposal 4, “ABSTENTION” and “broker non-votes” will have no effect on the outcome of the selection, on an advisory basis, of the frequency for an advisory vote on executive compensation.

(THE BOARD RECOMMENDS SHAREHOLDERS VOTE FOR CONDUCTING FUTURE VOTES ON EXECUTIVE COMPENSATION EVERY “ONE YEAR”.)

For Proposal 5 (Amendment to 2017 Stock Incentive Plan) - If a quorum is obtained, and a majority of shares represented, in person or by proxy, at the 2019 Annual Shareholders’ Meeting and entitled to vote, are in favor of Proposal 5, the amendment to the 2017 Stock Incentive Plan, our 2017 Stock Incentive Plan will be amended to increase the number of shares of common stock subject to the plan by 120,000 shares. Votes marked “FOR” Proposal 5 will be counted in favor of the amendment of the 2017 Stock Incentive Plan. An abstention from voting on Proposal 5 will not be voted on that proposal, although it will be counted for purposes of determining the number of shares represented and entitled to vote. Accordingly, an “ABSTENTION” will have the same effect as a vote “AGAINST” Proposal 5. “Broker non-votes” are not considered shares entitled to vote for purposes of Proposal 5 and thus will have no effect on the outcome of the approval of the amendment to the 2017 Stock Incentive Plan.

(THE BOARD RECOMMENDS A VOTE “FOR” PROPOSAL 5.)

Admission and Voting at Our 2019 Annual Shareholders’ Meeting

Voting at the 2019 Annual Shareholders’ Meeting is limited to shareholders of record having evidence of ownership as of the record date, April 12, 2019. If your shares are NOT held in your name, we may require you to show evidence of your ownership at our meeting. Evidence typically includes your proxy-voting card or your brokerage statement showing proof of stock ownership as of the close of business on April 12, 2019, such as your May 2019 brokerage statement or a printout of shares held at the close of April 12, 2019. At our 2019 Annual Shareholders’ Meeting, shareholders of record will receive a ballot upon verification of stock ownership.

We will not allow any cameras or recording equipment in the meeting room. As a courtesy and as time permits, we will provide a brief question and answer period for our shareholders of record.

Shareholders of record will be given ballots upon verification of stock ownership. REMEMBER that beneficial shareholders must obtain a power of attorney form or legal proxy from their brokers prior to the meeting in order for their votes by ballot to be counted since their brokers may have already reported their shares as “broker non-votes”. Prior to our June 11, 2019 meeting, beneficial shareholders are strongly urged to read their proxy-voting card instructions on how to vote at our 2019 Annual Shareholders’ Meeting. They should also contact their brokers by the Monday prior to our 2019 Annual Shareholders’ Meeting to ensure they obtain the proper paperwork in order to vote at our meeting. If a beneficial shareholder does not follow its broker’s instructions, our Inspector of Elections will not count such shareholder’s vote by ballot at the 2019 Annual Shareholders’ Meeting. The instructions are usually located on the back of each proxy-voting card.

Shareholder Procedures for Nominating Board Members or Introducing Proposals

Requirements for Shareholder Proposals to Be Considered for Inclusion in the Company's Proxy Materials. Proposals that a shareholder intends to present at the 2020 Annual Shareholders' Meeting and wishes to be considered for inclusion in the proxy statement and form of proxy relating to the 2020 Annual Shareholders' Meeting must be received no later than December 21, 2019. All proposals must comply with Rule 14a-8 under the Securities Exchange Act of 1934, as

amended (the “Exchange Act”), which lists the requirements for the inclusion of shareholder proposals in company-sponsored proxy materials. Shareholder proposals must be delivered to the Company’s Corporate Secretary by mail at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028.

Requirements for Other Shareholder Proposals to Be Brought Before the 2020 Annual Shareholders’ Meeting and Director Nominations. Notice of any proposal that a shareholder intends to present at the 2020 Annual Shareholders’ Meeting, but does not intend to have included in the proxy statement and form of proxy relating to the 2020 Annual Shareholders’ Meeting, as well as any director nominations, must be delivered to the Company’s Corporate Secretary by mail at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028, not earlier than the opening of business on February 12, 2020, and not later than the close of business March 13, 2020. The notice must be submitted by a shareholder of record and must set forth the information required by our Fifth Amended and Restated Bylaws, dated August 25, 2014 (our “Bylaws”), with respect to each director nomination or other proposal that the shareholder intends to present at the 2020 Annual Shareholders’ Meeting. If you are a beneficial owner of shares held in street name, you can contact the organization that holds your shares for information about how to register your shares directly in your name as a shareholder of record.

A copy of our Bylaws is published on our corporate website or may be obtained upon written request to our General Counsel at our United States headquarters located at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028. In addition, our Bylaws were filed as Exhibit 3.1 to our Form 8-K filed with the SEC on August 27, 2014.

PROPOSAL 1 — ELECTION OF DIRECTORS

Our Bylaws provide for a classified Board, divided into three staggered classes – I, II, and III. The terms of office for each of these classes are scheduled to expire on the date of our annual shareholders’ meeting in 2019, 2020, and 2021, respectively. Class II is comprised of three directors with all three Class II board seats being up for election at the 2019 Annual Shareholders’ Meeting.

Nominees. The Board has nominated Messrs. J. Stanley Fredrick, Eric W. Schrier, and Tyler Rameson as nominees for election as our Class II directors. Once elected, our Class II directors’ term will expire on the earlier of the date of our 2022 Annual Shareholders’ Meeting or the date of such director’s disqualification, resignation, death, or removal. Each nominee’s biographical information is as follows:

J. Stanley Fredrick has served as a Class II director since September 2001. From November 2003 through January 2009, Mr. Fredrick served as the Lead Director for the Board. In January 2009, Mr. Fredrick was elected to serve as the Chairman of the Board of Directors. In 2003, Mr. Fredrick was a founding board member of Professional Bank in Dallas, Texas, a boutique bank that provided certain financial resources to its customers. He co-founded Cameo Couture, Inc., which operated as Colesce Couture, a distributor of intimate apparel, and Colony House, Inc., a private label cookware company, both of which operated through direct selling channels. Mr. Fredrick also co-founded Irving National Bank Shares, a commercial bank holding company, and served as a consultant to the bank from 1994 until it was sold in 2000. He currently serves on the board of Wine Shop at Home, a party planning company in Napa, California. Mr. Fredrick has been actively involved for more than 40 years in the Direct Selling Association, a national trade association of leading firms that manufacture and distribute goods and services directly to consumers. He has served on the Direct Selling Association’s Board of Directors and various committees thereof. From 1987 to 1988, Mr. Fredrick served as Chairman of the Direct Selling Association and from 1988 to 1990, he served as Chairman of the Direct Selling Education Foundation. He has been inducted into the Direct Selling Association’s highest honor, the “Hall of Fame,” as well as into the Direct Selling Education Foundation “Circle of Honor.” Mr. Fredrick received a B.A. in English from Central State University, in Edmond, Oklahoma.

Eric W. Schrier was appointed to the Board as a Class II director in October 2014. He also serves on the Company’s Audit Committee, Compensation and Stock Option Plan Committee, and is Chairman of the Science and Marketing Committee. His term as director expires in 2019. Mr. Schrier served as President and CEO of The Reader’s Digest Association where he was responsible for \$2.4 billion in revenue, 4,500 employees, and more than 100 million customers in 70 countries during his tenure from January 2006 to March 2007. He currently is Chairman of the Board of Trusted Media Brands Inc. (since April 2014). Previously he served as Chairman of Willow House, a décor and jewelry direct sales company (from July 2009 to December 2013); and Chairman of Edible Communities Inc., a multi-platform media company in the farm-to-table food space (from March 2013 to September 2018). He also was on the Board of The Enthusiast Network (from January 2011 to September 2018); MeQuilibrium (from October 2011 to August 2018); the American Chemical Society (from June 2012 to May 2016); Demdex Corp (from July 2009 to January 2011); and Bonnier USA (from September 2007 to July 2009). Since January 2009, he has advised media corporations to help them create and pursue their digital strategies and diversify their revenue streams. Mr. Schrier earned a Bachelor’s Degree in Human Biology from Brown University in 1973 and a Masters in Journalism from U.C. Berkeley in 1977.

Tyler Rameson was appointed to the Board as a Class II director on June 6, 2018. He is the managing member of Jade Capital LLC, a private investment firm. From 2008 to 2014, Mr. Rameson was a managing member of Gray Whale Capital LLC, a worldwide proprietary trading firm. In this capacity, Mr. Rameson oversaw the development of numerous proprietary trading strategies and systems. From 2002 to 2007, Mr. Rameson was employed by Jane Street Capital LLC, a proprietary trading firm. Mr. Rameson received an MBA with an emphasis on Financial Engineering from the Massachusetts Institute of Technology (MIT), as well as a Masters of Engineering in Logistics from MIT

and a Bachelor of Arts degree in Business Economics from The University of California, Santa Barbara.

(THE BOARD RECOMMENDS A VOTE “FOR ALL” TO ELECT ALL THREE OF THE NOMINEES.)

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PROPOSAL 2 — RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Neither our Articles of Incorporation, Bylaws, nor any other applicable legal requirements require shareholder ratification of the selection of our independent registered public accounting firm. However, the Board, as a matter of good corporate governance, has always sought shareholder ratification of the appointment of our independent registered public accounting firm. The Board is seeking shareholder ratification of the appointment of BDO USA, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. In the event our shareholders do not ratify our appointment of BDO USA, LLP, the Audit Committee and the Board will reconsider the appointment.

Our Audit Committee appoints our independent registered public accounting firm on an annual basis. The decision is based on a number of factors including the scope of the audit, the independence of the auditors, the estimated audit fees, and any non-auditing services that are performed by the independent registered public accounting firm.

Representatives from BDO USA, LLP will attend the 2019 Annual Shareholders' Meeting and will have the opportunity to make a statement, if they so desire. They will also be available to respond to any appropriate questions from our shareholders.

Pre-Approval Policies and Procedures

Our Audit Committee must preapprove all services provided by our independent registered public accounting firm. The non-audit services, specified in Section 10A(g) of the Exchange Act may not be provided by our independent registered public accounting firm.

Each year, the approval of the estimated annual audit, audit-related services, and routine tax services takes place at an Audit Committee meeting. In addition, during the course of the year, requests for unforeseen or additional allowable services to be provided by our independent registered public accounting firm must be preapproved by our Audit Committee, except for those qualifying for the "de minimis exception." The de minimis exception provides that the pre-approval requirements for certain non-audit services may be waived if:

- the aggregate amount of such non-audit services provided constitutes not more than 5% of the total fees paid to our independent registered public accounting firm in the calendar year that such non-audit services are provided;
- such services were recognized as non-audit services at the time they were provided; and
- such services are promptly brought to the attention of our Audit Committee.

Our Audit Committee may delegate to its Chairman the authority to grant pre-approvals. In such event, the decisions of the Chairman of the Audit Committee regarding pre-approvals will then be presented to our full Audit Committee at the next scheduled meeting.

Our independent registered public accounting firm provides a revised estimate for the year, by project, for all planned and approved services to our Chief Financial Officer prior to each Audit Committee annual planning meeting. The revised estimate is then reviewed at our Audit Committee annual planning meeting.

Fees Paid to Our Independent Registered Public Accounting Firm

For the years ended December 31, 2018 and 2017, we were billed the following fees by our current independent registered public accounting firm, BDO USA, LLP as follows:

Type of Service	2018	2017
	(in	
	thousands)	
Audit Fees, including the audit of our consolidated financial statements and annual report on Form 10-K, review of our quarterly financial statements and quarterly reports filed on Form 10-Q, and international statutory audits	\$683	\$781
Audit-Related Fees, including fees related to the annual audit of employee 401(k) benefit plan	17	15
Tax Fees, including fees for tax services, tax advice, transfer pricing, state, and international tax consultation	15	12
All Other Fees, related to all other services including expatriation issues and miscellaneous consulting and advisory services	—	—
Total Fees	\$715	\$808

The “de minimis exception” described above was not used for any fees paid to BDO USA, LLP in 2018 and 2017. All fees were pre-approved by our Audit Committee. As of March 4, 2019, we were advised by BDO USA, LLP that neither the firm, nor any member of its firm, had any direct or indirect financial interest in any capacity in our Company. The members of our Audit Committee believe the payment of all fees set forth above did not prohibit BDO USA, LLP from maintaining its independence.

(THE BOARD RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED ACCOUNTING FIRM.)

PROPOSAL 3 — ADVISORY VOTE ON EXECUTIVE COMPENSATION (“SAY-ON-PAY”)

In accordance with Section 14A(a)(1) of the Exchange Act implementing Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are submitting to our shareholders the opportunity to vote on a non-binding advisory resolution to approve the compensation program for our Named Executive Officers, which is described in the section titled “Executive Compensation” in this Proxy Statement. Accordingly, the following resolution is submitted for a shareholder advisory vote at the 2019 Annual Shareholders’ Meeting:

“RESOLVED, that the shareholders of Mannatech, Incorporated approve, on an advisory basis, the overall compensation of the Company’s Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K of the regulations promulgated by the SEC, including the section entitled “Executive Compensation,” and the accompanying compensation tables and the corresponding narrative discussion and footnotes set forth in the Proxy Statement for the 2019 Annual Shareholders’ Meeting.”

As described in the section titled “Executive Compensation” our executive compensation program is designed to provide a competitive level of compensation necessary to attract, motivate, and retain talented and experienced executives and to motivate them to achieve short-term and long-term objectives that enhance shareholder value.

This vote is merely advisory and will not be binding upon the Company and the Board. However, the Compensation and Stock Option Plan Committee, which is responsible for designing and administering the Company’s executive compensation program, values constructive dialogue on executive compensation and other important governance topics with the Company’s shareholders and encourages all shareholders to vote their shares on this matter.

(OUR BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” APPROVAL OF THE ADVISORY RESOLUTION TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS “SAY-ON-PAY”.)

PROPOSAL 4 - ADVISORY VOTE ON THE FREQUENCY OF ADVISORY VOTES ON EXECUTIVE COMPENSATION (“SAY-ON-FREQUENCY”)

In accordance with Section 14A(a)(1) of the Exchange Act implementing Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are providing our shareholders the opportunity to cast a non-binding advisory vote on whether future non-binding advisory votes on the compensation of the Company’s Named Executive Officers should occur every one, two, or three years. The Board recommends that shareholders vote to hold an advisory vote on executive compensation every ONE year, or an annual vote.

You may cast your vote by choosing one year, two years, or three years when you vote for the resolution set forth below.

“RESOLVED, that the highest number of votes cast by the shareholders of Mannatech, Incorporated for the following options will determine the preferred frequency with which Mannatech, Incorporated is to hold a stockholder vote to approve, on a non-binding basis, the executive compensation of its Named Executive Officers included in the Proxy Statement: (a) every year, or (b) every two years, or (c) every three years.”

After careful consideration, the Board believes that an annual, non-binding advisory vote complements our goal to create a compensation program that enhances long-term shareholder value. As described in the section titled “Executive Compensation,” our executive compensation program is designed to motivate executives to achieve short-term and long-term corporate goals that enhance shareholder value. An annual vote will provide shareholders the ability to compare the Company’s compensation program to the long-term performance of the Company. One year is sufficient time for the Compensation Committee to fully analyze the Company’s compensation program (as compared to the Company’s performance over the same period) and to implement necessary changes.

This advisory vote on the frequency of future advisory votes on executive compensation is non-binding on the Company and the Board. Notwithstanding the Board’s recommendation and the outcome of the shareholder advisory vote, the Board may in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussion with shareholders and the adoption of material changes to compensation programs.

(OUR BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR CONDUCTING FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION EVERY “ONE YEAR”)

PROPOSAL 5 — APPROVAL OF AMENDMENT TO THE 2017 STOCK INCENTIVE PLAN

The Mannatech, Incorporated 2017 Stock Incentive Plan (the “Plan”) was originally adopted by our Board on April 17, 2017, and approved by our shareholders on June 8, 2017. The Board has adopted, subject to the approval of our shareholders, an amendment to the Plan to increase the number of shares of common stock reserved for issuance under the Plan by 120,000 shares (hereinafter called the “Amendment”). We are asking our shareholders to approve the Amendment at the 2019 Annual Shareholders Meeting.

The Plan provides a means by which we may promote the success and enhance the value of the Company by linking the personal interests of employees, directors and consultants of us and our affiliates to those of our shareholders and by providing such individuals with an incentive for outstanding performance. The Plan is designed to provide flexibility in our ability to motivate, attract and retain the services of the types of employees, directors and consultants who will contribute to our long term success.

The Plan is our only active plan for providing equity-based compensation to eligible employees, directors and consultants, and the limited number of shares remaining available under the Plan restricts the Company’s ability to grant equity awards. As of June 8, 2017, 250,000 shares of our common stock were authorized for issuance under the Plan, 210,998 of which have been issued or are subject to outstanding awards as of April 12, 2019, leaving 39,002 shares currently available for future awards under the Plan. With the approval of the Amendment, we will be able to continue to use a variety of equity-based compensation alternatives in structuring compensation arrangements for our personnel. While the Board is aware of the potential dilutive effect of compensatory stock awards, it also recognizes the significant motivational and performance benefits that are achieved from making such awards.

For a discussion of the philosophy behind the various equity and cash incentive awards under the Plan, please see the discussion in the Compensation Discussion & Analysis section in this proxy statement.

Equity Compensation Plan Information

The following table summarizes information regarding our equity compensation plans as of December 31, 2018. These plans use shares of our common stock. We do not have any equity compensation plans not approved by security holders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders	420,818	\$16.64	39,002
Equity compensation plans not approved by security holders	—	—	—
Total	420,818		39,002

Summary of the 2017 Stock Incentive Plan

The following is a brief description of the material features of the Plan, as amended by the Amendment. Copies of the Plan and the Amendment are attached as Appendix B and Appendix C to this proxy statement, respectively, and the

following description is qualified in its entirety by reference to the Plan as amended.

Administration. The Plan is administered by our Compensation and Stock Option Plan Committee (the “Compensation and Stock Option Plan Committee” or the “Committee”), which has full and final authority to select persons to receive awards, establish the terms of awards, and administer and interpret the Plan in its sole discretion unless authority is specifically reserved to the Board under the Plan, our certificate of incorporation or bylaws, or applicable law. The Committee may delegate certain responsibilities to our officers as set forth in the Plan.

Eligibility. Officers, employees, directors and consultants who perform services for us or our affiliates are eligible to participate in the Plan, but only employees of us and our corporate subsidiaries are eligible to receive incentive stock options.

Effective Date and Termination. The Plan became effective April 17, 2017, and will terminate on April 16, 2027, unless otherwise terminated earlier by the Board. The Amendment was effective March 20, 2019, the date of its adoption by the Board, subject to shareholder approval. No awards may be granted under the Plan after its termination date, but awards granted prior thereto will continue to be effective in accordance with their respective terms and conditions

Share Reserve. Subject to adjustments for certain changes in corporate capitalization, the maximum aggregate number of shares of our common stock that may be issued under the Plan is 370,000, all of which may be used for incentive stock options. This amount consists of 250,000 previously authorized shares and 120,000 newly available shares. Unissued shares of common stock allocable to a forfeited, expired, canceled, or otherwise terminated portion of an option or stock appreciation right will revert to the Plan and again be available for awards. However, any shares withheld for payment of the exercise price or withholding of taxes will not be available again for grant under the Plan.

Maximum Employee Awards. Subject to adjustment for certain changes in corporate capitalization, no employee may be granted options, stock appreciation rights or performance awards during any fiscal year covering in the aggregate more than 50,000 shares of common stock.

Maximum Non-Employee Director Compensation. The maximum aggregate dollar value of awards and cash compensation that may be granted under the Plan or otherwise during any calendar year to any non-employee director is \$500,000, rounded up to the nearest full share of common stock and subject to adjustment for certain changes in corporate capitalization.

Awards under the 2017 Stock Incentive Plan

Options. The Committee may grant either incentive stock options intended to comply with Section 422 of the Code or “nonqualified” options that are not intended to qualify as incentive stock options. Incentive stock options may be granted only to employees of the Company and its corporate subsidiaries. The exercise price per share for options may vary, but will be no less than the market value of a share of common stock on the date of grant. Options under the Plan generally have a term of 10 years. However, if an incentive stock option is granted to an employee who owns (or is deemed to own) more than 10% of the combined voting power of all classes of our stock (or of stock of any parent or subsidiary), the term may not exceed five years and the exercise price must be at least 110% of our common stock’s market value on the grant date. The Committee determines the methods and form of payment for the exercise price per share on exercise of an option. Vested options generally remain exercisable for three months after a participant’s termination of employment or service other than for cause, as defined in the Plan, or for one year after a participant’s death or disability. Both vested and unvested options held by a participant who is terminated by us due to cause will immediately be forfeited and no longer exercisable.

Restricted Stock Awards. A restricted stock award is a grant of shares of common stock subject to a risk of forfeiture, restrictions on transferability, and any other restrictions imposed by the Committee in its discretion. Restrictions may lapse at such times and under such circumstances as determined by the Committee. A participant granted restricted stock will have the shareholder rights set forth in the award agreement, including the right to vote the shares of restricted stock. However, any dividends paid with respect to shares of restricted stock will be held by us and subject to the same terms and restrictions as the restricted stock. Unless otherwise waived by the Committee, restricted stock that is subject to forfeiture restrictions will be forfeited, along with any dividends held in escrow, upon termination of employment or service and the shares will again be available for grant under the Plan.

Restricted Stock Units. A restricted stock unit (an “RSU”), is a right to receive one share of common stock, or its cash value, at the end of a specified period. The Committee may subject RSUs to a risk of forfeiture and other restrictions to be specified in the award agreement, which restrictions may lapse at such times determined by the Committee. RSUs may be satisfied by delivery of common stock, cash equal to the fair market value of the specified number of shares of common stock covered by the RSUs, or any combination thereof determined

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by the Committee at the grant date or thereafter. Except as otherwise provided by the Committee in the award agreement, RSUs subject to forfeiture restrictions will be forfeited upon termination of a participant's employment or service before the end of the specified period. Until all restrictions on an RSU award have lapsed, the participant will have none of the rights of a shareholder. However, at the Committee's discretion, an RSU award may include dividend equivalents under which the participant will be credited with the amount of any cash dividends paid on our common stock during the restriction period. Any dividend equivalents will be subject to the same restrictions as the RSUs. Unless otherwise waived by the Committee, unvested RSUs will be forfeited upon termination of employment or service, along with any dividend equivalents, and the underlying shares will again be available for grant under the Plan.

Performance Awards. The Committee may grant performance awards that vest only on the attainment of specified performance goals. Performance awards may be granted in the form of performance stock or performance stock units, in each case subject to performance goals and a performance period established by the Committee in its sole discretion. Performance goals generally are based on a pre-established objective formula or standard that specifies the manner of determining the number of shares of common stock or the amount of cash that will be issued or vest if the performance goal is attained. The Plan permits the Committee to base performance goals on such business criteria and other performance measures as it deems appropriate, including business criteria listed in the Plan.

Stock Appreciation Rights. A stock appreciation right (an "SAR"), is the right to receive an amount equal to the excess of the fair market value of our common stock on the exercise date over the strike price of the award as determined by the Committee, for the number of shares for which the SAR is exercised. The strike price for a SAR award generally will be the fair market value of a share of stock on the date of grant. The Committee determines the vesting schedule and term, which will not exceed 10 years, for each SAR, and whether the SAR will be settled by delivery of common stock or cash.

Other Provisions of the 2017 Stock Incentive Plan

Change in Control, Merger, Consolidation or Similar Transaction. If there is a change in control of the Company, as defined in the Plan, or other similar corporate transaction or series of transactions, the Committee has discretion to provide for any of the following:

- the continuation of outstanding awards, if the Company is the surviving entity;
- the assumption of the Plan and outstanding awards by the surviving entity or its parent;
- the substitution by the surviving entity or its parent of awards with substantially the same terms for outstanding awards, including an award to acquire the same consideration paid to the shareholders in the transaction (subject to the equitable adjustment as appropriate);
- the cancellation of outstanding awards in exchange for a payment equal to the excess, if any, of the sale or transaction price per share of common stock and the exercise price of the award, to the extent vested; or
- the cancellation of outstanding awards without payment of any consideration. If vested options or SARs are canceled without consideration, participants will be given a limited period to exercise such awards before their cancellation.

Capitalization Adjustments. If the Committee determines that a change in our corporate capitalization, such as a stock split, stock dividend or other recapitalization, will result in dilution or enlargement of participant rights under the Plan, the Committee will adjust, as appropriate, the number or class of securities reserved for awards under the Plan, including incentive stock options; the number and class of securities covered by each outstanding award; the maximum number of shares of stock that may be granted to any employee in one year; and the exercise price or strike price for any option or SAR.

Tax Withholding. We may deduct or withhold, or require a participant to remit, an amount sufficient to satisfy any taxes required by law or regulation to be withheld with respect to any award under the Plan. This includes the authority to withhold or receive common stock or other property and to make cash payments or require a participants to make cash payments in satisfaction of participant tax obligations.

Amendments and Termination. The Board may amend or terminate the Plan at any time, subject to the approval of our shareholders, if required by any law or securities exchange listing requirements.

The Committee may amend awards granted under the Plan, but may not “reprice” any option or SAR, such as by reducing the exercise price, without the approval of our shareholders. In addition, no amendment of the Plan or any award may impair the rights or increase the obligations of any participant under any previously granted award without the participant’s consent.

Limited Acceleration of Vesting. The Committee may accelerate the exercisability or vesting of an award granted under the Plan only on a participant’s death or disability or in the event of a change in control under which the award will not be continued, assumed or substituted by the surviving entity or its parent.

Clawback or Recoupment. Awards granted under the Plan are subject to any clawback policy adopted by the Company or imposed by any law or securities exchange listing requirement.

Award Transferability. Participants are not permitted to transfer any award granted under the Plan other than by will or by the laws of descent and distribution, and any option will be exercisable during the participant’s lifetime only by the participant or his or her guardian or legal representative. However, the Committee may permit awards other than incentive stock options to be transferred to the participant’s immediate family members, to a trust solely for the benefit of such immediate family members or to a partnership in which such family members or trusts are the only partners.

U.S. Federal Income Tax Consequences of Awards under the 2017 Stock Incentive Plan

The following is a brief summary of certain federal income tax consequences relating to awards granted under the Plan. This summary does not purport to address all aspects of federal income taxation and does not describe state, local, or foreign tax consequences. This discussion is based upon provisions of the Code and the treasury regulations issued thereunder, and judicial and administrative interpretations under the Code and regulations, all as in effect as of the date hereof, and all of which are subject to change (possibly on a retroactive basis) or different interpretation.

Options. Options may be intended to qualify as incentive stock options under Code section 422 or may be nonqualified stock options governed by Code section 83. A participant generally will not recognize any taxable income, and we will not be entitled to a tax deduction, on the grant of an option. On exercise of a nonqualified stock option a participant generally will recognize ordinary taxable income equal to the excess of the fair market value of the acquired common stock on the exercise date over the exercise price paid for those shares. Subject to satisfying applicable reporting requirements and certain deduction limitations under section 162(m) or 280G of the Code for certain individuals (discussed below), we should be entitled to a corresponding federal income tax deduction. A participant generally will not recognize taxable income on exercise of an incentive stock option and we will not be entitled to a deduction. However, the excess of the fair market value of the acquired common stock on the exercise date over the exercise price for those shares could result in alternative minimum tax liability for the participant. A participant’s disposition of shares acquired on exercise of any option will ordinarily result in capital gain or loss. However, a disposition of shares acquired on exercise of an incentive stock option less than two years after the grant date or one year after the exercise date (referred to as a “disqualifying disposition”) generally will result in ordinary taxable income equal to the excess of the fair market value of the acquired common stock on the exercise date and the exercise price for those shares, with any excess of the amount received by the participant over the fair market value of the stock on the exercise date being treated as capital gain. We may be entitled to a deduction corresponding to the participant’s ordinary taxable income in the case of such a disqualifying disposition.

Restricted Stock Awards. A participant who receives a restricted stock or performance stock award generally will recognize ordinary income when the shares are no longer subject to forfeiture or restrictions, equal to the excess, if any, of the fair market value of the shares of restricted stock over the amount paid, if any, by the participant for such shares. However, a participant who receives a restricted stock award may make an election under section 83(b) of the

Code at the time of transfer of the shares of restricted stock to recognize ordinary income on the transfer date equal to the excess of the fair market value of such shares (determined without regard to the restrictions on such shares) over the purchase price, if any, of such shares. If a participant does not make an election under section 83(b) of the Code, then the participant will recognize as ordinary income any dividends received with respect to shares of restricted stock. Subject to satisfying applicable income reporting requirements and any applicable deduction limitation under the Code, we should be entitled to an income tax deduction in the same amount and at the same time as the participant recognizes ordinary income. When the participant sells such shares, any gain or loss realized by the participant will be treated as either short-term or long-term capital gain (or loss)

depending on the holding period. For purposes of determining any gain or loss realized, the participant's tax basis will be the amount previously taxable as ordinary income plus the purchase price paid by the participant, if any, for such shares.

Stock Appreciation Rights. A participant generally will not recognize income on the grant or vesting of a SAR. When the participant exercises the SAR, he or she will have ordinary taxable income equal to the fair market value of the stock or cash received. Subject to satisfying applicable income reporting requirements and any deduction limitations under the Code, we should be entitled to an income tax deduction in the same amount and at the same time as the participant recognizes ordinary income.

Restricted Stock Units. In the case of an award of RSUs or performance stock units, the participant generally will recognize ordinary income in an amount equal to any cash received and the fair market value of any shares received on the date of payment or delivery. Subject to satisfying applicable income reporting requirements and any deduction limitations under the Code, we should be entitled to a federal income tax deduction in the same amount and at the same time as the ordinary income which the participant has recognized.

Million Dollar Deduction Limit and Other Tax Matters.

Section 162(m) of the Code generally prohibits us from deducting compensation of more than \$1 million per person to our CEO and other "covered employees" as defined in section 162(m). Prior to 2018, an exception to this deduction limit was available for certain compensation, including qualified "performance based compensation," which required compliance with requirements under Code section 162(m) and the regulations issued thereunder. As a result of tax legislation that went into effect at the end of 2017, this exception is no longer available for tax years beginning after December 31, 2017, unless such compensation qualifies for transition relief for written binding contracts in effect as of November 2, 2017. Although the Plan was designed to satisfy the requirements for qualified performance based compensation, no performance awards were granted under the Plan before November 2, 2017, so as to qualify for transition relief. Accordingly, compensation paid to "covered employees" pursuant to awards granted under the Plan is not expected to be deductible by the Company to the extent such compensation exceeds the Code section 162(m) deduction limitation.

If an individual's rights under the Plan are accelerated as a result of a change in control and the individual is a "disqualified individual" under Code section 280G, the value of such accelerated rights received by such individual may be included in determining whether or not such individual has received an "excess parachute payment" under Code section 280G, which could result in both the imposition of a 20% federal excise tax (in addition to federal income tax) payable by the individual on the value of such accelerated rights, and the loss by the Company of a compensation deduction.

New Plan Benefits

Because all grants and awards under the Plan are entirely within the discretion of the Committee, the total benefits allocable under the Plan in the future are not determinable. Therefore, we have omitted the tabular disclosure of the benefits or amounts allocated under the Plan. No grants or awards have been made under the Plan beyond the current share reserve, and no grants or awards will be made under the Plan beyond the Plan's existing share reserve unless and until the Amendment is approved by the shareholders.

Board Recommendation

The Board believes that approval of the Amendment is in the best interests of the Company and our shareholders. For the reasons stated above, the shareholders are being asked to approve this proposal.

(THE BOARD RECOMMENDS A VOTE “FOR” PROPOSAL 5.)

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CORPORATE GOVERNANCE

Overview

We are committed to maintaining the highest standards of business conduct and corporate governance, which we believe are essential to running our business efficiently and maintaining our integrity in the marketplace. We have adopted a code of business conduct and ethics for our directors, officers, and employees, which, in conjunction with our Articles of Incorporation, Bylaws, and Board of Directors committee charters, form the framework for our corporate governance. All of these documents are available on our corporate website at www.mannatech.com.

Summary of All Directors and Executive Officers

The following table sets forth certain information regarding our executive officers and directors, including their ages as of April 19, 2019:

Name	Age	Position
Alfredo (Al) Bala	58	Chief Executive Officer and President
Erin K. Barta	49	General Counsel and Corporate Secretary
Joel Bikman	46	Chief Operating and Marketing Officer
Landen Fredrick	46	Chief Global Sales Officer and President, North America
David A. Johnson	48	Chief Financial Officer
Ronald D. Norman	60	Senior Vice President, Treasurer
Christopher J. Simons	56	Regional President EMEA, Central and South America
J. Stanley Fredrick	80	Chairman of the Board of Directors
Linda K. Ferrell, Ph.D. ⁽¹⁾	59	Independent Board Member
Gerald E. Gilbert	85	Independent Board Member
Larry A. Jobe	79	Independent Board Member
Tyler Rameson	45	Independent Board Member
Kevin Robbins	51	Non-employee Board Member
Eric W. Schrier	67	Independent Board Member
Robert Toth ⁽²⁾	66	Vice Chairman of the Board of Directors and an Independent Board Member

⁽¹⁾ Dr. Ferrell resigned her position as a Class III director of the Board effective March 31, 2019. The Board will not be naming a successor, leaving seven total Directors.

⁽²⁾ Mr. Toth resigned from his position as Vice Chairman of the Board effective April 1, 2019. He remains a Class III director of the Board. The Board opted to not appoint a replacement at its March 20, 2019 meeting.

The following biographical information about our directors and executive officers listed above is in alphabetical order:

Alfredo (Al) Bala joined Mannatech in October 2007 as Senior Vice President, Global Sales. He was then named Executive Vice President, Sales in June 2011. Due to his involvement in Mannatech's global sales and marketing efforts, in January 2012, Mr. Bala was named Executive Vice President, Sales & Marketing. Mr. Bala was promoted in February 2014 to serve as President International, Executive Vice President, Chief Sales & Marketing Officer. Mr. Bala was named President of the Company in May 2014. In August 2015, he was promoted to CEO. Mr. Bala served as Chief Operating Officer of Britt Worldwide, LLC, one of the largest independent Amway network marketing organizations, from 1992 to 2006. While with Britt Worldwide, his main focus was providing motivation, training and tools for Associates in the field in more than 65 countries across the globe. Mr. Bala was also heavily involved in the launch and re-launch of over 60 international markets, including BRICS markets (Brazil, Russia, India, China and South Africa), which propelled the Britt Worldwide international sales volume to more than \$500 million. Mr. Bala served as manufacturing plant manager for Bose Corporation from 1983 to 1992. He is conversant and/or fluent in more than 13 languages. In addition to more than 20 years of domestic and international experience in network

marketing, Mr. Bala's proven record includes growing a major direct sales organization to \$750 million, reaching more than one million people in 60 countries. Mr. Bala received an Associate Degree in Electrical Engineering from the Community College of Rhode Island.

Erin K. Barta joined Mannatech in November 2006 as Senior Corporate Counsel. She was named Assistant General Counsel in March 2009 and was named General Counsel and Corporate Secretary in August 2013. Ms. Barta is responsible for overseeing the Legal and Business Ethics teams and our Regulatory group. Prior to joining Mannatech, Ms. Barta served as Corporate Counsel and later Senior Corporate Counsel for Metromedia Restaurant Group, a subsidiary of Metromedia Company. She has a B.S. from Texas Woman's University and received her J.D. from Texas Wesleyan University, now the Texas A&M University School of Law.

Joel Bikman, Chief Operating and Marketing Officer, joined Mannatech in 2014 and provides the Company with significant experience within the direct selling, nutrition and personal care industries. He is responsible for overseeing Supply Chain, Logistics, Facilities, R&D and Marketing in order to provide a consistently excellent experience to each customer and independent Associate. Prior to joining Mannatech, Mr. Bikman held senior sales and marketing roles with Isagenix, FreeLife and TriVita and business development and account management positions within the advertising industry. He holds a BA in Communications and an MBA from Brigham Young University.

J. Stanley Fredrick has served as a Class II director since September 2001. His current term as director expires in 2019. From November 2003 through January 2009, Mr. Fredrick served as the Lead Director for the Board. In January 2009, Mr. Fredrick was elected to serve as the Chairman of the Board of Directors. In 2003, Mr. Fredrick was a founding board member of Professional Bank in Dallas, Texas, a boutique bank that provided certain financial resources to its customers. He co-founded Cameo Couture, Inc., which operated as Colesce Couture, a distributor of intimate apparel, and Colony House, Inc., a private label cookware company, both of which operated through direct selling channels. Mr. Fredrick also co-founded Irving National Bank Shares, a commercial bank holding company, and served as a consultant to the bank from 1994 until it was sold in 2000. He currently serves on the board of Wine Shop at Home, a party planning company in Napa, California. Mr. Fredrick has been actively involved for more than 40 years in the Direct Selling Association, a national trade association of leading firms that manufacture and distribute goods and services directly to consumers. He has served on the Direct Selling Association's Board of Directors and various committees thereof. From 1987 to 1988, Mr. Fredrick served as Chairman of the Direct Selling Association and from 1988 to 1990, he served as Chairman of the Direct Selling Education Foundation. He has been inducted into the Direct Selling Association's highest honor, the "Hall of Fame," as well as into the Direct Selling Education Foundation "Circle of Honor." Mr. Fredrick received a B.A. in English from Central State University, in Edmond, Oklahoma.

Landen Fredrick is the Chief Global Sales Officer and President, North America. Mr. Fredrick coordinates worldwide sales activity and has P&L responsibility for all sales activity in the United States and Canada. Mr. Fredrick has been a part of Mannatech since 2006, Mr. Fredrick has played a key role in developing and driving systems to create efficiencies and manage scale for the Company. Mr. Fredrick is also the chairman of the M5M Foundation, a non-profit organization benefitting children in need. Mr. Fredrick also is a member of the Board of Directors of the Direct Selling Association. Mr. Fredrick owned a web and advertising business, Killian Fredrick, from 2001 to 2006. Mr. Fredrick earned a BA from Abilene Christian University in 1995 and his MBA from Amber University in 1997.

Gerald E. Gilbert has served as a Class I director since June 2003 and he is the Chairman of the Nomination/Governance and Compliance Committee. He also serves on the Audit Committee, the Compensation and Stock Option Plan Committee, Associate Compliance Committee and the Science and Marketing Committee. His current term as director expires in 2021. A former Assistant U.S. Attorney, from 1968 until his retirement in December 2002, Mr. Gilbert practiced law with the international law firm of Hogan and Hartson L.L.P., now known as Hogan Lovells L.L.P. His legal and business expertise includes international trade, national trade associations, and various areas of consumer products. From 1968 to 1999, Mr. Gilbert served as General Counsel to the Direct Selling Association. Mr. Gilbert was the recipient of the "Hall of Fame Award," which is the Direct Selling Association's highest honor. He also served as General Counsel to the World Federation of Direct Selling Associations and the Tropical Forest Foundation. Mr. Gilbert served in the U.S. Naval Reserve from 1956 to 1992 and was promoted to Rear Admiral (Two Stars), the top ranking officer in the Naval Reserve JAG Corps. During his distinguished military service, Mr. Gilbert received numerous awards, including the "Legion of Merit." He is also a Past National President of the Federal Bar Association. He received a B.A. degree in English from Denison University, in Granville, Ohio and a Juris Doctor from the University of Virginia School of Law, in Charlottesville, Virginia. Mr. Gilbert is a member of

the State Bars of Virginia and the District of Columbia and is admitted to practice before the United States Supreme Court.

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Larry A. Jobe has served as a Class I director since January 4, 2006. His current term as director expires in 2021. In February 2007, Mr. Jobe began serving as Chairman of our Audit Committee. Mr. Jobe also serves on the Nominating/Governance and Compliance Committee, Compensation and Stock Option Plan Committee and Marketing Committee. Mr. Jobe serves as Chairman of Legal Network, Ltd., a firm he founded that provides staffing and litigation support to law firms and corporate legal departments. He also serves as the President and founder of P 1 Resources, LLC, which has provided engineering and light industrial staffing services to the construction industry since 1994. From 1991 to 1994, Mr. Jobe was Chairman and founder of Mitchell Jobe & Company, a provider of professional staffing services for government and industry. He is also a founder and Board Member of Peloton College, a for-profit accredited career school, since October 2005. From 1973 to 1991, he served in various capacities, including as member of the Executive Committee and Chairman of the Strategic Planning Committee with the accounting firm Grant Thornton LLP. In 1969, he was appointed by President Richard Nixon to serve as the Assistant Secretary of Commerce for Administration at the United States Commerce Department. Mr. Jobe previously served as the Chairman of Independent Bank of Texas and Chairman of the Audit Committee for U.S. Home Systems, Inc. In addition, Mr. Jobe served as Chairman of the Audit Committee and a member of the Board of Directors of SWS Group, Inc., a Dallas-based New York Stock Exchange member from July 2005 through December 2014. He is a member of the Board of the Dallas Seminary Foundation. He received a B.B.A. degree in Accounting from the University of North Texas, in Denton, Texas. Mr. Jobe maintained an active Certified Public Accounting (CPA) license from 1962 to 2002 and currently maintains his license on an inactive or retired status.

David A. Johnson joined Mannatech in July 2013 as Controller. He was named Chief Accounting Officer in July 2015 and Chief Financial Officer in May 2016. He brings to Mannatech more than 23 years of experience in reporting financial results to investors, creditors and management with a focus on improving the financial operations of the enterprise by financial planning and analysis, and working capital management. He leads the company's accounting, finance and treasury teams. Prior to Mannatech, Mr. Johnson has held several financial management positions, including manager of accounting at Safety-Kleen and financial controller at Copart. He has four years of experience in public accounting. He is a Certified Public Accountant and holds a BA and MA in Economics from Florida State University and a MA in Accounting from The University of Texas at Dallas.

Ronald D. Norman joined Mannatech in May 1996 and was named Senior Vice President and Treasurer in February 2014. Prior to his current position, he was promoted to Senior Vice President International in June 2011 and previously served for several years as Vice President of International Operations. From 1996 to 2005, he held various positions within Mannatech's finance department. Prior to joining Mannatech, Mr. Norman had 15 years of experience in public accounting, focusing on providing tax, accounting, finance and general business consulting services to entrepreneurial and growth stage companies with an emphasis on preparing these companies for entry into the public markets or preparing them for international expansion. Mr. Norman received both his B.S. and M.S. degrees from Baylor University. He is a Certified Public Accountant licensed in the State of Texas and is a member of the American Institute of Certified Public Accounts and Dallas Chapter of the Texas Society of Certified Public Accountants. He and his family are volunteers for events sponsored by the Special Olympics and various other autism and special needs advocacy groups.

Kevin Robbins, son of Mannatech co-founder Ray Robbins, was appointed to the Board in December 2016 as a Class I director. His current term as director expires in 2021. He also serves on the Science and Marketing Committee. He began his part time career as an independent Associate for the Company in 1994. By 1996, Mr. Robbins was able to dedicate his career as an independent Associate for the Company on a full-time basis. In 2003, he was awarded as the global recipient of the Ray Robbins Giving Spirit Award. In 2000, Mr. Robbins was elected to represent the Company's North America field as part of the North American Advisory Council. He originally served five years on the advisory council, and was later re-elected for another three-year term. As part of the advisory council, Mr. Robbins served as Chairman for five years where he worked closely with the Company to develop new compensation plans, new incentive trips, and training programs with respect to Associates in North America. In 2012, he was recognized as one of the Top Global Business Builders of the Year by the Company. Prior to joining Mannatech, Mr. Robbins worked as a Realtor for Coldwell Banker. He earned Rookie of the Year and Top Listing agent for his branch. He was introduced to the direct sales industry when he was just 20 years old as a sales representative of Cutco and later as

Area Sales Manager. Mr. Robbins earned a Bachelor of Business Administration in Marketing at The University of Texas at Arlington.

Christopher J. Simons, Regional President EMEAA, Central and South America, joined Mannatech in 2008 as Director of Sales, South Africa. Since joining Mannatech, Mr. Simons has provided pivotal leadership in several markets

helping the Company's independent Associates advance their business and personal development. Prior to his time at Mannatech, Mr. Simons spent 19 years in the direct sales industry as a field leader and business manager for one of the largest independent networks of direct sellers in the world. Throughout his career, he has played an integral role in leading company launches in a variety of global markets. He has overseen the deployment of global systems incorporating events and business education platforms that have resulted in more than \$1 billion in revenues in those specific markets. Mr. Simons is known for working very closely with his field leaders, and creating a market where those leaders have the freedom and support to thrive, while also building an operation that is set up for ongoing, sustainable business.

Eric W. Schrier was appointed to the Board as a Class II director in October 2014. He also serves on the Company's Audit Committee, Compensation and Stock Option Plan Committee and is Chairman of the Science and Marketing Committee. His term as director expires in 2019. Mr. Schrier served as President and CEO of The Reader's Digest Association where he was responsible for \$2.4 billion in revenue, 4,500 employees, and more than 100 million customers in 70 countries during his tenure from January 2006 to March 2007. He currently serves as Chairman of the Board of Directors for Edible Media, a multi-platform media company in the farm-to-table food space. He also is a member of the Board of Directors for TEN (The Enthusiast Network) (since January 2011), American Chemical Society (since June 2012), Reader's Digest Association (since April 2014), and MeQuilibrium (since October 2011). He has previously served on the boards of Willow House (from July 2009 to December 2013), Demdex Corp (from July 2009 to January 2011), and Bonnier USA (from September 2007 to July 2009). Since January 2009, he has consulted with large media corporations to help them create and pursue their digital strategies and diversify their revenue streams. Mr. Schrier earned a Bachelor's Degree in Human Biology from Brown University in 1973 and a Masters in Journalism from U.C. Berkeley in 1977.

Robert A. Toth has served as a Class III director since March 2008. His current term as director expires in 2020. Mr. Toth is the Chairman of the Compensation and Stock Option Plan Committee. He also serves on the Audit Committee, the Nominating/Governance and Compliance Committee and the Science and Marketing Committee and from August 2014 to March 2019, Vice Chairman of the Board. Mr. Toth was the Co-founder, and until May 2015, was the Chairman of Tatra Spring LLC, a supply chain services company based in Poland and founded in September 2008. He is a director of the Knowtions Company, a performance support systems software firm based in New Jersey. Since 2006, he has worked in venture capital as a private investor focused on new business startups in the technology sector. He has more recently served as a consultant to the direct selling industry. Mr. Toth has over 38 years of direct selling experience. As President of Avon International from 2004 to 2005, his operations included over 120 countries with annual revenues in excess of \$5.5 billion. Mr. Toth began his Avon career in customer service in 1978, then moved to U.S. sales and operations and was promoted to U.S. Director of Sales in 1989. He transitioned to Avon International in 1991 as Director of New Business Development, where he played a lead role in Avon's market entry plan for Russia. He was based in Warsaw from 1993 to 1997 as Avon's President of Central and Eastern Europe, where he established and led Avon Poland. From 1997 to 2004, Mr. Toth was based in London where he held a number of senior management positions including Group Vice President, Eastern Europe, Middle East and Africa (1997-1999), Senior Vice President, Europe, Middle East and Africa (1999-2002) and Executive Vice President for Asia-Pacific, Europe, Middle East and Africa (2002-2003). Mr. Toth graduated from LaSalle University in 1974 with a B.A. in Business Administration and was an officer in the U.S. Marine Corps from 1975 to 1978.

Tyler Rameson has served as a Class II director since June 6, 2018. He is the managing member of Jade Capital LLC, a private investment firm. From 2008 to 2014, Mr. Rameson was a managing member of Gray Whale Capital LLC, a worldwide proprietary trading firm. In this capacity, Mr. Rameson oversaw the development of numerous proprietary trading strategies and systems. From 2002 to 2007, Mr. Rameson was employed by Jane Street Capital LLC, a proprietary trading firm. Mr. Rameson received an MBA with an emphasis on Financial Engineering from the Massachusetts Institute of Technology (MIT), as well as a Masters of Engineering in Logistics from MIT and a Bachelor of Arts degree in Business Economics from The University of California, Santa Barbara.

⁽¹⁾ Mr. Toth resigned from his position as Vice Chairman of the Board effective April 1, 2019. He remains a Class III director of the Board. The Board opted to not appoint a replacement at its March 20, 2019 meeting.

Director Qualifications

The Board respects its responsibility to provide oversight, counseling and direction to the management in the interest, and for the benefit of, our shareholders. Accordingly, it seeks to be comprised of directors with diverse skills, experience and

qualifications. It is critical that our directors understand the direct selling industry. It is equally important that, collectively, our directors have successful experience in each of the primary aspects of our business, including network marketing, direct sales, finance and audit, product strategy and development, independent Associate relations, supply chain management, and sales and marketing.

J. Stanley Fredrick, our Chairman and largest shareholder, brings to the Board many years of direct selling experience as well as broad operational and marketing expertise as a co-founder of two direct selling companies. Mr. Fredrick also has significant experience serving on other company boards of directors, as well as the Direct Selling Association's board and its various committees. Mr. Fredrick's professional background provides him with a vast understanding of our Company, associate field leadership, and sales techniques.

Gerald E. Gilbert brings to the Board extensive legal and business experience in international trade and various areas of consumer products. Mr. Gilbert served as General Counsel to the Direct Selling Association and as General Counsel to the World Federation of Direct Selling Associations. Mr. Gilbert's legal expertise in the direct selling industry makes him a valued member of the Board.

Larry A. Jobe brings to the Board extensive experience in management, finance and auditing. Mr. Jobe also has significant experience serving on other public company boards. Mr. Jobe's considerable experience in public accounting and in evaluating financial statements makes him particularly well-suited to serve as chair of the Audit Committee. Mr. Jobe maintained an active CPA license from 1962 to 2002.

Kevin Robbins is a high-level independent Associate in our global downline network marketing system. Mr. Robbins brings to the Board more than 20 years of experience as an independent Associate of the Company. Mr. Robbins' vast understanding of the Company's independent Associate field leadership and the critical issues contributing to the building of a successful business with the Company make him a valued member of the Board.

Eric W. Schrier brings to the Board experience in marketing and digital publishing. Mr. Schrier has significant experience in leading and advising companies on strategies including The Reader's Digest Association. From July 2009 to December 2013, he served on the board of Willow House, a party plan company. Mr. Schrier's knowledge of marketing, digital publishing, and leading a large multi-national company makes him a valuable addition to the Board.

Robert A. Toth brings to the Board extensive experience in senior management and as a venture capitalist. Mr. Toth has over 38 years of direct selling experience, principally with Avon Products, Inc. Mr. Toth's considerable experience with international markets makes him a valuable member of the Board, as international expansion has been, and continues to be, an important part of our long-term strategic plan. Having served in various leadership positions of Avon International, Mr. Toth has an in-depth understanding of the direct selling industry.

Tyler Rameson, our second largest shareholder, brings to the Board extensive financial experience. Mr. Rameson previously worked for Jane Street Capital, one of the largest proprietary trading firms in the world. At Jane Street, Mr. Rameson was a member of the American Stock Exchange where he executed several proprietary trading strategies. In 2008, Mr. Rameson co-founded Gray Whale Capital, an SEC registered investment company that executed proprietary investment strategies worldwide. Mr. Rameson's extensive analytical and financial background make him a valued member of the Board.

Consideration of Director Nominees

Under our Bylaws, the Nominating/Governance and Compliance Committee of our Board of Directors recommends to the Board all candidates for election by our shareholders at each annual meeting of shareholders. Although the Board has not formally established criteria for Board membership, the Board does consider several factors before

recommending a candidate for Board membership. These factors include the following:

- the experience level, mix of skills and other business qualities a potential nominee may possess;
- the general experience and skill levels of current Board members;
- the potential nominee's experience with accounting rules and practices;
- the verification of background, work, and education of a potential nominee; and

other factors as the Nominating/Governance and Compliance Committee may deem in the best interests of our shareholders.

In addition, the Nominating/Governance and Compliance Committee will recommend director candidates in order to ensure that:

- a majority of the Board of Directors are “independent” as defined by Nasdaq and SEC rules;
- each of the Audit, Compensation and Stock Option Plan, and Nominating/Governance and Compliance Committees are comprised entirely of independent directors; and
- at least one member of the Audit Committee has the experience, education and qualifications necessary to qualify as an “audit committee financial expert” as defined by the SEC.

The Nominating/Governance and Compliance Committee may solicit recommendations for director nominees from any or all of the following sources: non-management directors, executive officers, third-party search firms or any other source it deems appropriate. The Nominating/Governance and Compliance Committee will review and evaluate the qualifications of any proposed director candidate that it is considering or that has been properly recommended to it by a shareholder and conduct inquiries it deems appropriate into the background of these proposed director candidates. When nominating a director for re-election, the Nominating/Governance and Compliance Committee will also consider the director’s past performance on the Board. The Nominating/Governance and Compliance Committee will evaluate all proposed director candidates based on the same criteria, with no regard to the source of the initial recommendation of the proposed director candidate.

The Nominating/Governance and Compliance Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating/Governance and Compliance Committee believe it is important that Board members represent diverse viewpoints. In considering candidates, the Nominating/Governance and Compliance Committee considers the entirety of each candidate’s credentials, including such candidate’s diverse skills, experience and qualifications.

If a shareholder would like our Nominating/Governance and Compliance Committee to consider specific candidates for nomination to the Board, a shareholder should deliver written notice to our Corporate Secretary at our corporate office, located at 1410 Lakeside Parkway, Suite 200, Flower Mound, Texas 75028, or by fax at (972) 471-1571. As required by our Bylaws, written notice of such proposed candidates for director should be delivered no later than December 31, 2019 to allow the Board time to consider such persons for nomination at our 2020 Annual Shareholders’ Meeting. The written notice should include the candidates’ full name, age, biographical background, and qualifications. If a shareholder intends to present a director nomination at the 2019 Annual Shareholders’ Meeting, the shareholder should follow the procedures described on page 7 of this proxy statement.

Board Leadership Structure and Role in Risk Oversight

Meetings of the Board are presided over by the Chairman of the Board, currently Mr. J. Stanley Fredrick. Our Bylaws do not require that the Chairman be independent. However, the Board believes in the separation of the Chairman and CEO roles. Most important among the considerations to keep these roles separate was that the separation of the Chairman and CEO positions allows our CEO to focus on operational issues and the Chairman to focus on governance and other related issues.

In addition, we believe that the effectiveness of the Board is enhanced by having separate Chairman and CEO positions.

It is management's responsibility to manage risk and bring to the Board's attention any material risks facing the Company. The Board, as a whole and through its committees, regularly reviews various areas of significant risk, and advises and directs management on the scope and implementation of policies, strategic initiatives and other actions designed to mitigate various types of risks. Specific examples of risks primarily overseen by the full Board include competition risks, industry risks, economic risks, liquidity risks, business operations risks, cybersecurity and data privacy risks, regulatory risks, and risks posed by significant litigation matters. Our Audit Committee regularly discusses with management and the independent auditors significant financial risk exposures and the processes management has implemented to monitor, control and report such exposures. Specific examples of risks primarily overseen by the Audit Committee include risks related to the

preparation of the Company’s financial statements, disclosure controls and procedures, internal controls and procedures required by the Sarbanes-Oxley Act of 2002, accounting, financial and auditing risks, matters reported to the Audit Committee through the internal audit department and through anonymous reporting procedures.

Classes of Our Board of Directors

Seven directors currently serve on the Board, which is divided into three classes serving staggered three-year terms, which expire on the day of our Annual Shareholders’ Meeting. The Board has determined that five of our directors are independent. The members of each of the classes and the expiration dates of their terms as of April 20, 2018, are as follows:

Class	Term Expiration	Directors
Class I	2021	Gerald E. Gilbert*, Larry A. Jobe*, and Kevin Robbins
Class II	2019	J. Stanley Fredrick ⁽¹⁾ Eric W. Schrier*, and Tyler Rameson*
Class III	2020	Robert A. Toth

*Independent Board Member

(1)Chairman of the Board of Directors

The Board held four regular meetings and one special meeting during 2018. Except for Mr. Fredrick, all of our directors attended all of the regular meetings of the Board. Mr. Fredrick missed the March board meetings and the 2018 Annual Shareholders' meeting held on June 6, 2018. Although we do not have a formal policy regarding attendance by directors at our Annual Shareholders’ Meeting, we encourage and expect all of our directors to attend our Annual Shareholders’ Meeting. We anticipate that all of our directors will attend our 2019 Annual Shareholders’ Meeting to be held on June 11, 2019.

Director Independence

The Board has determined that each of Messrs. Gilbert, Jobe, Schrier, Rameson, and Toth qualify as “independent” as defined by applicable Nasdaq and SEC rules. In making this determination, the Board has concluded that none of these members has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Committees of Our Board of Directors

During 2018, the Board had five committees with various functions. All committee members attended all of their regularly scheduled committee meetings. During 2018, the committees held the following number of meetings:

- ▲ Audit Committee: 4 regular meetings and 7 special meetings;
- Compensation and Stock Option Plan Committee: 4 regular meetings;
- ◆ Nominating/Governance and Compliance Committee: 4 regular meetings;
- ♠ Science and Marketing Committee: 4 regular meetings; and
- ▲ Associate Compliance Committee: 4 regular meetings.⁽¹⁾

⁽¹⁾ The Board opted to dissolve the Associate Compliance Committee at its March 2019 meeting. The Nominating/Governance and Compliance Committee will have oversight over management's responsibilities regarding the Company's compliance with legal and regulatory requirements related to the marketing, distribution, and sale of the Company's products by the Company's independent distributors ("Associates").

As of April 19, 2019, the Board has four committees. The committee membership is as follows:

Director's Name	Audit Committee	Compensation and Stock Option Plan Committee	Nominating/ Governance, and Compliance Committee	Science and Marketing Committee
Non-Employee Independent Directors:				
Gerald E. Gilbert	X	X	C	X
Larry A. Jobe	C	X	X	X
Eric W. Schrier	X	X		C
Robert A. Toth	X	C	X	X
Tyler Rameson	X	X		X
Non-Employee Directors:				
J. Stanley Fredrick ⁽¹⁾				
Kevin Robbins				X

X Member

C Committee Chairman

⁽¹⁾ Chairman of the Board of Directors

The committees and their functions are as follows:

1. Audit Committee. Our Audit Committee consists of Messrs. Gilbert, Jobe, Rameson, Schrier, and Toth and is chaired by Mr. Jobe. The Board has determined that each member of our Audit Committee meets the independence and financial literacy requirements for purposes of serving on such committee under applicable Nasdaq and SEC rules and that Mr. Jobe qualifies as an "audit committee financial expert" as defined by the SEC. Our Audit Committee is primarily responsible for approving all services provided by our independent registered public accounting firm, reviewing our annual audit results, and meeting with our independent registered public accounting firm to periodically review our internal controls, internal control over financial reporting, and financial management practices. Our Audit Committee's responsibilities are stated more fully in its amended and restated charter, which is

posted on our corporate website at ir.mannatech.com. Our Audit Committee's report appears in this proxy statement on page 43 of this proxy statement.

Compensation and Stock Option Plan Committee. Our Compensation and Stock Option Plan Committee consists of Messrs. Gilbert, Jobe, Rameson, Schrier, and Toth and is chaired by Mr. Toth. The Board has determined that each member of our Compensation and Stock Option Plan Committee meets the independence requirements for purposes of serving on such committee under applicable Nasdaq and SEC rules. None of our executive officers serves as a member of any board of directors or as a member of any other compensation committee for any other entity that has or has had one or more of their executive officers serving as a member of the Board or on our

Compensation and Stock Option Plan Committee. Our Compensation and Stock Option Plan Committee is primarily responsible for establishing all compensation for our executive officers and directors including salaries, bonuses, stock option grants, and stock option plan administration. Our Compensation and Stock Option Plan Committee may ask members of management or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request. Our Compensation and Stock Option Plan Committee's responsibilities are stated more fully in its revised charter, which is posted on our corporate website at ir.mannatech.com.

Nominating/Governance, and Compliance Committee. Our Nominating/Governance and Compliance Committee consists of Messrs. Gilbert, Jobe, and Toth and is chaired by Mr. Gilbert. The Board has determined that each member of the Nominating/Governance and Compliance Committee meets the independence requirements for purposes of serving on such committee under applicable Nasdaq and SEC rules. Our Nominating/Governance and Compliance Committee is primarily responsible for reviewing and recommending nominees to the Board, developing plans regarding the size and composition of the Board, developing management succession planning, and establishing and maintaining policies and procedures to handle and investigate complaints, including whistleblower or other confidential complaints. Our Nominating/Governance and Compliance Committee is also responsible for directing the investigation of complaints including advising the Board about the outcome of any complaints or any other legal matters. Additionally, at its March 2019 meeting, the Board reassigned to the Nominating/Governance and Compliance Committee the responsibility for oversight of management's responsibilities regarding the Company's compliance with legal and regulatory requirements relating to the marketing, distribution and sale of the Company's products by the Company's independent Associates. For information on criteria for director nominees, see "Consideration of Director Nominees", beginning on page 23 of this proxy statement. Our Nominating/Governance and Compliance Committee's responsibilities are stated more fully in its charter that is posted on our corporate website at ir.mannatech.com. For additional information on nominating nominees to the Board see "Shareholder Procedures for Nominating Board Members or Introducing Proposals," beginning on page 7 of this proxy statement.

Science and Marketing Committee. Our Science and Marketing Committee was formed in June 2003 and consists of Messrs. Gilbert, Schrier, Rameson, Robbins, Jobe, and Toth. The Board elected Mr. Schrier as Chairman of the Science and Marketing Committee. Our Science and Marketing Committee is primarily responsible for overseeing all aspects of our product development and setting the overall direction of our product research and development and the marketing of our innovative products. The committee also oversees management's implementation and maintenance of the Company's Global Scientific Advisory Board to aid the Company in driving the development of innovative products for its global markets. The Science and Marketing Committee's responsibilities are stated more fully in its charter that is posted on our corporate website at ir.mannatech.com.

Shareholder Communication with Our Board of Directors

We request that any shareholders interested in communicating directly with individual directors or with our entire Board submit such correspondence in writing. To submit written correspondence to the Board, fax such correspondence to (972) 471-1571, or send by email to BoardofDirectors@mannatech.com, or mail to Mannatech, Incorporated, Attention Corporate Secretary, "For Mannatech's Board of Directors," 1410 Lakeside Parkway, Flower Mound, Texas 75028. Upon receipt, a copy of such correspondence will be given to J. Stanley Fredrick, our Chairman of the Board. All correspondence to specific Board members will be delivered directly to the individual Board member. A voice message can be left for the Board at (972) 471-6512. Our Executive Officers and designated officials may be given access to such shareholder communications with the Board, except in instances in which the charters of our committees require anonymity.

Code of Ethics

In order to help promote the highest levels of business ethics, the Board adopted a Code of Ethics for our executive officers and directors in 2003. The Code of Ethics was amended in April 2006 and is published on our corporate website at ir.mannatech.com. Any change in or waiver from and the grounds for such change in or waiver from our Code of Ethics shall be promptly disclosed by publishing such change or waiver on our corporate website at ir.mannatech.com. Our Code of Ethics applies to all of our executive officers and directors. Our Code of Ethics was designed to ensure that our business is conducted in a consistent legal and ethical manner and sets forth guidelines for all areas of professional conduct, including conflicts of interest, employment policies, protection of confidential information, and fiduciary duties.

Compensation of Directors

We compensate our non-employee directors for serving and participating on the Board, for chairing committees, and for attending Board and Board committee meetings. Our Nominating/Governance and Compliance Committee reviews the compensation of our non-employee directors and recommends to the Compensation and Stock Option Plan Committee any changes to director compensation that the Nominating/Governance and Compliance Committee deems appropriate. Our Compensation and Stock Option Plan Committee then reviews such recommendations and after due deliberation and consideration approves any such changes it deems appropriate and recommends them to the Board. The Board then reviews such recommendations and after due deliberation and consideration approves any such changes it deems appropriate. Non-employee director fees during 2018 were as follows:

	Board Member	Audit Committee	Compensation and Stock Option Plan Committee	Nominating/ Governance and Compliance Committee	Associate Compliance Committee	Science and Marketing Committee
Chairman fee ⁽¹⁾	\$372,910	\$ 20,000	\$ 18,000	\$ 12,500	\$ 7,500	\$ 7,500
Vice Chairman fee ⁽¹⁾	\$100,000	\$ —	\$ —	\$ —	\$ —	\$ —
Independent director retainer ⁽¹⁾	\$70,000	\$ —	\$ —	\$ —	\$ —	\$ —
Telephonic meeting fee	\$500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Re-elected Board members ⁽²⁾	\$—	\$ —	\$ —	\$ —	\$ —	\$ —

The Chairman fee, Vice Chairman fee, and director retainer are paid monthly during the calendar year. Mr. Toth (1) resigned as Vice Chairman effective April 1, 2019. The Board opted to not fill that vacancy. Mr. Toth will remain an independent, non-employee director. Effective April 1, 2019, the Chairman fee was reduced to \$300,000.

Each non-employee director re-elected to the Board by our shareholders was granted 5,000 stock options. The (2) stock options are priced on the date of grant and expire in ten years. One-third of the stock options vest on the date of grant, another one-third of the stock options vest on the first anniversary date of grant, and the remaining one-third of the stock options vest on the second anniversary of the date of grant.

All directors are reimbursed for any reasonable out-of-pocket travel expenses in connection with their travel to and attendance at any of the Board's meetings or committee meetings.

For fiscal year 2018, the annual retainer for independent directors was \$70,000. Directors received a \$500 fee for attending telephonic board and committee meetings. The directors did not receive any fees for attending in-person board or committee meetings. In addition to the cash retainer, each director received \$35,000 in equity stock grant, using the closing stock price on January 2, 2018, all of which fully vested upon grant.

For fiscal year 2019, the annual retainer for independent directors will remain at \$70,000 and the telephonic Board and telephonic committee meeting fees and vice chairman, and committee chairman fees will remain at the 2018 levels. In addition to the cash retainer, each director received \$35,000 in equity stock grant, using the closing stock price on the first trading day of 2019, all of which fully vested upon grant. Effective April, 1, 2019, the Chairman fee was reduced to \$300,000. Mr. Toth resigned as Vice Chairman effective April 1, 2019. The Board opted to not fill that vacancy at this time and may reassess the fee upon appointment of a new vice chairman.

2018 Director Compensation Table

The table below summarizes the compensation paid during 2018 to our non-employee directors. Our non-employee directors do not receive non-equity incentive plan compensation, or nonqualified deferred compensation.

Director	Fees				Total
	Earned or Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾	Option Awards	All Other Compensation	
J. Stanley Fredrick	\$355,582	\$ 35,000	\$—	\$ 9,680	⁽⁴⁾ \$400,262
Gerald E. Gilbert	\$84,500	\$ 35,000	\$42,920 ⁽³⁾	\$ —	\$162,420
Larry A. Jobe	\$92,000	\$ 35,000	\$		