

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported):
December 17, 2004**

MANNATECH, INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Texas
(State or other Jurisdiction of
Incorporation or Organization)

000-24657
(Commission File Number)

75-2508900
(I.R.S. Employer
Identification No.)

**600 S. Royal Lane, Suite 200
Coppell, Texas 75019**
(Address of Principal Executive Offices, including Zip Code)

Registrant's Telephone Number, including Area Code: (972) 471-7400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On December 17, 2004, Mannatech, Incorporated entered into a one year, non-exclusive supply agreement and a separate trademark license agreement between Caraloe, Inc. and Natural Alternatives International, Inc., which agreements are effective as of December 1, 2004. The Supply Agreement requires Mannatech and its supplier collectively to purchase from Caraloe a minimum of 250 kilograms of Manapol® per month. Pursuant to the Trademark License Agreement, Caraloe grants Mannatech the right and license to use the Manapol® trademark, from Caraloe, in connection with Mannatech's labeling, advertising, and sale of its products for one year. Copies of the Supply Agreement and the Trademark License Agreement are attached to this report as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial statements of businesses acquired. Not applicable.
- (b) Pro forma financial information. Not applicable.
- (c) Exhibits.

<u>Exhibit Number</u>	<u>Exhibit</u>
99.1*+	Supply Agreement entered into on December 17, 2004 to be effective as of December 1, 2004 by and among Mannatech, Caraloe, Inc. and Natural Alternatives International, Inc.
99.2*	Trademark License Agreement entered into on December 17, 2004 to be effective as of December 1, 2004 by and between Mannatech and Caraloe, Inc.

* File herein.

+ Confidential treatment has been requested for portions of this exhibit. Omitted portions have been filed separately with the Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

MANNATECH, INCORPORATED

Dated: December 22, 2004

/s/ Stephen D. Fenstermacher

Name: Stephen D. Fenstermacher
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

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* File herein.

+ Confidential treatment has been requested for portions of this exhibit. Omitted portions have been filed separately with the Commission.

SUPPLY AGREEMENT

This Supply Agreement ("Supply Agreement") is effective as of **December 1, 2004** and is between CARALOE, INC., a Texas corporation ("CARALOE") with its principal place of business located at 2001 Walnut Hill Lane, Irving, Texas 75038, MANNATECH, INC., a Texas corporation ("MANNATECH") with its principal place of business located at 600 S. Royal Lane, Suite 200, Coppell, Texas 75019 and NATURAL ALTERNATIVES INTERNATIONAL, INC. a Delaware corporation ("NAI" or the "MANUFACTURER") with its principal place of business located at 1185 Linda Vista Drive, San Marcos, California. CARALOE, MANNATECH AND NAI are hereinafter referred to as ("Parties").

WITNESSETH

WHEREAS, CARALOE desires to sell to MANNATECH and MANNATECH desires to purchase from CARALOE, a bulk aloe vera mucilaginous polysaccharide (hereinafter referred to under the product name of "Manapol[®] powder") in quantities, at the price and upon the terms and conditions set forth herein; and

WHEREAS, contemporaneously with the execution of this Agreement, CARALOE and MANNATECH are entering into a Trademark License Agreement of even date herewith (the "License Agreement") pursuant to which, among other things, CARALOE is granting to MANNATECH a license to use the product name Manapol[®] in connection with the labeling, advertising and sale of products manufactured by or for MANNATECH that contain Manapol[®] powder; as one of the ingredients in products manufactured by or for MANNATECH also containing other ingredients and substances (the "Manufactured Products"); and

WHEREAS, MANNATECH and NAI are parties to that certain Manufacturing Agreement dated April 22, 1998 (the "Manufacturing Agreement"), pursuant to which NAI has agreed to manufacture, produce and bulk package for MANNATECH the nutritional products described in the Manufacturing Agreement; and

WHEREAS, the Parties desire to memorialize in this Agreement the arrangement among the Parties pursuant to which NAI shall purchase Manapol[®] powder directly from CARALOE at the prices set forth herein for the exclusive purpose of manufacturing the Manufactured Products for MANNATECH;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. Term.

The term of this Supply Agreement shall be for a period of twelve (12) months from **December 1, 2004 to November 30, 2005** (the "Term") unless further extended or sooner terminated as provided herein (such term, as extended herein called, the "Term"). The Term (including each one-year extension of the Term) shall be extended automatically for an additional one (1) year period, provided that, at least thirty (30) days prior to the end of the Term, MANNATECH and CARALOE mutually agree in writing on the quantity and price of Manapol[®] powder to be sold by CARALOE and purchased by MANNATECH hereunder during such additional one-year period. At least sixty (60) days prior to the end of the Term, CARALOE and MANNATECH shall commence good faith negotiations to determine and agree upon such quantity and price for such additional one-year period. If MANNATECH and CARALOE are unable to so agree on such quantity and price, this Supply Agreement shall terminate effective at the end of the then-current Term. Nothing contained in this Paragraph 1 shall be deemed to (i) obligate MANNATECH and CARALOE to agree upon such quantity and price, (ii) obligate a party to negotiate with the other party regarding such quantity and price if such other party is then in breach of or in default under this Supply Agreement or the License Agreement or (iii) limit the rights of MANNATECH and CARALOE under Paragraph 12 hereof. This Supply Agreement shall terminate automatically upon the expiration or termination of the License Agreement.

2. Sale and Purchase.

- 2.1 Subject to the terms and conditions of this Supply Agreement, CARALOE shall sell to MANNATECH and MANNATECH shall purchase from CARALOE, not less than 250 kilograms of Manapol[®] per month during the Term. CARALOE agrees that MANNATECH may increase or decrease its monthly orders, incrementally, in amounts not to exceed 200 Kg difference from the prior month's order, subject to sixty (60) days prior written notice to CARALOE. In the event that MANNATECH reasonably anticipates that it shall require more than 200 Kg more Manapol[®] than its prior monthly order, CARALOE will exert its best reasonable effort to deliver but will guarantee delivery if MANNATECH gives CARALOE at least 180 days prior written notice thereof.
- 2.2 MANNATECH and NAI agree that all Manapol[®] powder purchased by it hereunder shall be used only as an additive in human or animal health food products (in capsule, powder tablet or liquid form) manufactured by or for MANNATECH that are intended for sale to the ultimate consumer in the United States or any other of MANNATECH'S countries of operation in which it conducts business and subject to compliance with MANNATECH'S obligations under the License Agreement, including without limitation MANNATECH'S obligations under Article III thereof.
- 2.3 Beginning on the date hereof, unless otherwise specified by MANNATECH, NAI agrees to purchase directly from CARALOE all

quantities of Manapol[®] powder that it requires to manufacture Manufactured Products for MANNATECH under the terms of the Manufacturing Agreement. CARALOE agrees that all purchases by NAI pursuant to this Supply Agreement shall be credited on a monthly basis against any minimum purchase requirements by MANNATECH as set forth in this Supply Agreement.

2.4 All sales of Manapol[®] powder, whether to MANNATECH or NAI, shall be subject to payment terms of 1% - 10 days, net 30 days. The cash discount of 1% is allowed on invoices paid within 10 days of date of invoice. Where cash discount for prompt payment is not taken, the net total amount of invoice is due 30 days from date of invoice.

3. Forecast.

Subject to paragraph 2.1, for each calendar quarter during the Term, MANNATECH and NAI shall agree upon a non-binding, good faith forecast of the minimum and target aggregate quantities of Manapol[®] which shall be provided to CARALOE on a quarterly basis commencing on the date hereof

4. Pricing.

4.1 The price per kilogram payable by NAI to CARALOE for Manapol[®] powder shall be dependent on the total quantity of Manapol[®] powder purchased collectively by NAI and MANNATECH during a calendar month and shall be as set forth under the terms of this Supply Agreement.

QUANTITY PURCHASED PRICING/KG

*** (This pricing structure has been omitted pursuant to a request for confidential treatment and the material has been filed with the Commission separately.)

MANNATECH shall receive a rebate of *** per kilogram, paid quarterly, on each kilogram of Manapol[®] powder in excess of 800 kg purchased during a calendar month.

MANNATECH and/or NAI, as appropriate, shall bear all freight, insurance and similar costs, and all sales taxes, with respect to such purchases. The purchase price of Manapol[®] powder, together with all related freight, insurance and similar costs, and sales taxes, shall be paid by MANNATECH and/or NAI, as appropriate to CARALOE within thirty (30) days after the date of invoice.

5. Orders; Deliveries. MANNATECH or NAI shall each instruct CARALOE from time to time during the Term, by placing a purchase order with CARALOE reasonably in advance of the date it desires Manapol[®] powder to be delivered to it hereunder, as to (a) the quantities of Manapol[®] powder to be delivered (b) the specific date of delivery, (c) the specific location of delivery and (d) the particular

carrier or particular type of carrier for such delivery. In no event shall CARALOE be required to deliver to NAI and/or MANNATECH in any three-month period a quantity of Manapol[®] powder in excess of 125% of the maximum delivery requirement for such period set forth in the non-binding Forecast for such period accepted by CARALOE. The quantities of Manapol[®] powder ordered pursuant to this Supply Agreement from time to time shall be spaced in a reasonable manner, and MANNATECH or NAI shall each order such quantities in accordance with the Forecast. Deliveries of Manapol[®] powder shall be made by CARALOE under normal trade conditions in the usual and customary manner being utilized by CARALOE at the time and locations of the particular delivery. The Manapol[®] powder delivered hereunder shall be packaged in five (5) kilogram containers. All deliveries of Manapol[®] powder hereunder shall be made by CARALOE F.O.B. at the facilities of CARALOE or its affiliates located in Irving, Texas.

6. Exclusivity.

- 6.1 NAI agrees that any purchases of Manapol[®] powder from CARALOE pursuant to the terms of this Supply Agreement shall be used exclusively in connection with the production of products for MANNATECH pursuant to the terms of the Manufacturing Agreement. Without limitation, NAI agrees that it shall not sell Manapol[®] powder purchased pursuant to the terms of this Supply Agreement in bulk or otherwise, or use any purchases of Manapol[®] powder purchased pursuant to the terms of this Supply Agreement in connection with the production of products on behalf of any other party other than MANNATECH.
- 6.2 CARALOE and MANNATECH agree that the Supply and License Agreements shall be exclusive to the extent that CARALOE may not sell or distribute Manapol[®] in bulk or wholesale form for sale or otherwise, to anyone whom MANNATECH has by written notice to CARALOE identified as (and who is), an Independent Associate of MANNATECH ("Associate"), or whom CARALOE knows or should have known to be an Associate of Mannatech. For the purposes of this Agreement, an Associate is an individual or business entity which has been assigned a MANNATECH account number, is bound by MANNATECH'S Associate Agreement and the terms and conditions related thereto, and which has placed at least one order for MANNATECH products during the prior twelve (12) month period. For purposes of this paragraph 6.2, the words "bulk or wholesale" shall refer only to a sale of one (1) kilogram or more of Manapol[®] raw material.
- 6.3 CARALOE agrees to discontinue making bulk or wholesale sales or distributions of Manapol[®] raw material to any Associate within thirty (30) days after receipt of written notice from MANNATECH identifying such Associate.

7. **Quality.** CARALOE warrants to MANNATECH and NAI that all Manapol[®] powder sold by CARALOE pursuant to this Supply Agreement will conform to the quality specifications set forth in Exhibit A to this Supply Agreement. **EXCEPT AS PROVIDED IN THIS PARAGRAPH 7, THERE ARE NO WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS, AND FITNESS FOR A PARTICULAR PURPOSE, MADE WITH RESPECT TO THE MANAPOL[®] POWDER TO BE SOLD HEREUNDER, AND NONE SHALL BE IMPLIED BY LAW. THE FOREGOING NOTWITHSTANDING, CARALOE DOES REPRESENT THAT THE MANAPOL[®] POWDER DOES MEET THE SPECIFICATIONS OUTLINED ON EXHIBIT A AND THAT IT IS A FOOD SUPPLEMENT UNDER THE FOOD & DRUG ADMINISTRATION'S RULES AND REGULATIONS.**

8. **Insurance.**

CARALOE shall maintain comprehensive insurance coverage during the term of this Supply Agreement, and any extensions thereof, with not less than the same coverage, endorsements, limits and notice of cancellation as shown in the insurance certificate attached hereto as Exhibit B. CARALOE shall, within thirty (30) days after this Supply Agreement is executed by all Parties, provide MANNATECH and NAI with a copy of its insurance certificate naming MANNATECH and NAI as an additional insured and listing the coverage, endorsements, limits, and notice of cancellation provisions. CARALOE will not cancel or materially alter such policy without providing at least thirty (30) days prior written notice to all named insured. Failure by CARALOE to maintain insurance coverage according to this article 10 shall constitute a material breach of this Supply Agreement. It is understood and agreed that the furnishing of such insurance certificate will not relieve CARALOE of its other respective obligations under this Supply Agreement.

9. **Confidential Information.**

9.1 CARALOE recognizes and acknowledges that MANNATECH'S trade name(s), trademarks, copyrights, patents, marketing plans, identity of and related information regarding its Associates, product formulations and other proprietary product information and any information relating to the management/operations of MANNATECH are valuable assets belonging to MANNATECH and as such are the sole property and may constitute trade secrets of MANNATECH. Prior to and during the performance of the Supply and License Agreements, CARALOE may have or had access to certain confidential information pertaining to MANNATECH. CARALOE specifically agrees CARALOE will not at any time, during or after the performance of the Supply and License Agreements, in any manner, either directly or indirectly, use, divulge, disclose, or communicate to any person, firm or corporation, any confidential

information of any kind, nature, or description concerning any matters affecting or relating to the business of MANNATECH (hereinafter referred to as "MANNATECH Confidential Information"). MANNATECH Confidential Information includes but is not limited to: MANNATECH genealogies (being the information held by MANNATECH or by any current or former Associate of MANNATECH related to its Associates including without limitation its relationship with each of its Associates, the Associate's name, upline and downline, charts, data reports, proprietary product information which may from time-to-time be made known to CARALOE, the names or practices of any of MANNATECH'S customers or Associates; MANNATECH'S marketing methods and related data; the names of MANNATECH'S vendors or suppliers; costs of materials; costs of its products generally, the prices MANNATECH obtains or has obtained or at which it sells or has sold its products or services; manufacturing and sales costs; lists or other written records used in MANNATECH's business; compensation paid to its Associates, details of training methods, new products or new uses for old products, merchandising or sales techniques, contracts and licenses, business systems, computer programs, or any other confidential information of, about, or concerning the business of MANNATECH; its manner of operation or other confidential data of any kind, nature or description.

9.2 CARALOE agrees to use the MANNATECH Confidential Information only for MANNATECH business and shall return copies of any written MANNATECH Confidential Information in CARALOE'S possession to MANNATECH forthwith upon written demand and upon termination of the Supply and License Agreements for whatever reason.

9.3 Notwithstanding anything to the contrary contained in this Supply Agreement or the License Agreement,

9.3.1 CARALOE shall have no obligation to maintain in confidence or return to MANNATECH any information (i) that was known to CARALOE prior to its disclosure to CARALOE by MANNATECH or any of its current or former Associates and that did not become known to CARALOE through disclosure by a person who was then known actually by CARALOE to have obtained such information or made such disclosure in violation of any obligation to MANNATECH, (ii) that is now in or hereafter enters the public domain other than due to a breach by CARALOE of this paragraph 9, (iii) that is disclosed to CARALOE by a third party who is not actually known by CARALOE to have obtained or disclosed such information in violation of any obligation to MANNATECH, or (iv) that is independently developed by CARALOE without the aid, application or use of any MANNATECH Confidential information disclosed to CARALOE; and

- 9.3.2 CARALOE may make any disclosure of MANNATECH Confidential Information (i) that it is necessary or appropriate to make in order to carry out its obligations under any written agreement with MANNATECH, (ii) that it is required or permitted to make pursuant to any written consent of or written agreement with MANNATECH or (iii) that it is required by law to make.
- 9.4 Each of MANNATECH and NAI recognize and acknowledge that CARALOE'S trade name(s), trademarks, copyrights, patents, marketing plans, product formulations, know-how, compounds, products, processes, designs, production methods and techniques and other proprietary product information and any information relating to the management/operations of CARALOE are valuable assets and confidential information belonging to CARALOE and as such are the sole property of CARALOE and may constitute trade secrets of CARALOE. Prior to and during the performance of the Supply and License Agreements, each of MANNATECH and NAI may have or had access to certain confidential information pertaining to CARALOE. Each of MANNATECH and NAI specifically agrees it will not at any time, during or after the performance of the Supply and License Agreements, in any manner, either directly or indirectly, use, divulge, disclose, or communicate to any person, firm or corporation, any confidential information of any kind, nature, or description concerning any matters affecting or relating to the business of CARALOE (hereinafter referred to as "CARALOE Confidential Information"). CARALOE Confidential Information includes but is not limited to: the names or practices of any of CARALOE'S customers; CARALOE'S marketing methods and related data; the names of CARALOE'S vendors or suppliers; costs of materials; costs of its products generally, the prices CARALOE obtains or has obtained or at which it sells or has sold its products or services; manufacturing and sales costs; lists or other written records used in CARALOE'S business; compensation paid to its Associates, details of training methods, new products or new uses for old products, merchandising or sales techniques, contracts and licenses, business systems, computer programs, or any other confidential information of, about, or concerning the business of CARALOE; its manner of operation or other confidential data of any kind, nature or description.
- 9.5 Each of MANNATECH and NAI agree to use the CARALOE Confidential Information only for CARALOE business and shall return copies of any written CARALOE Confidential Information in its possession to CARALOE forthwith upon written demand and upon termination of this Agreement for whatever reason.

9.6 Notwithstanding anything to the contrary contained in this Agreement,

9.6.1 MANNATECH shall have no obligation to maintain in confidence or return to CARALOE any information (i) that was known to MANNATECH prior to its disclosure to MANNATECH by CARALOE that did not become known to MANNATECH through disclosure by a person who was then known actually by MANNATECH to have obtained such information or made such disclosure in violation of any obligation to CARALOE, (ii) that is now in or hereafter enters the public domain other than due to a breach by MANNATECH of this paragraph 9, (iii) that is disclosed to MANNATECH by a third party who is not actually known by MANNATECH to have obtained or disclosed such information in violation of any obligation to CARALOE, or (iv) that is independently developed by MANNATECH without the aid, application or use of any CARALOE Confidential information disclosed to MANNATECH; and

9.6.2 MANNATECH may make any disclosure of CARALOE Confidential Information (i) that it is necessary or appropriate to make in order to carry out its obligations under any written agreement with CARALOE, (ii) that it is required or permitted to make pursuant to any written consent of or written agreement with CARALOE or (iii) that it is required by law to make.

10. Remedies.

10.1 CARALOE acknowledges that MANNATECH has devoted considerable time and resources in connection with the development of its sales force and products and establishment of goodwill associated with the same. CARALOE acknowledges that a breach by CARALOE of paragraphs 6.2 or 9 would cause MANNATECH to suffer irreparable harm, for which damages would be difficult to assess and further agrees that MANNATECH shall be entitled to injunctive relief in addition to any other right or remedy MANNATECH may have, including without limitation, the recovery of damages for the breach of this or any other surviving provision(s) in the Supply Agreement and License Agreement.

10.2 Each of MANNATECH and NAI acknowledge that CARALOE has devoted considerable time and resources in connection with the development of its products, production procedures and methods, trade secrets and intellectual property. Each of MANNATECH and NAI acknowledge that a breach by it of paragraphs 2.2, 6.1 or 9 would cause CARALOE to suffer irreparable harm, for which damages would be difficult to assess and further agree that CARALOE shall be entitled to injunctive relief in addition to any other right or remedy CARALOE may have, including without limitation, the recovery of damages for the breach of this or any other surviving provision(s) in the Supply Agreement or License Agreement.

10.3 Without limitation, MANNATECH shall be entitled to all remedies available to it under this Supply Agreement with respect to purchases of Manapol® powder by NAI pursuant to this Supply Agreement as though MANNATECH had made such purchase directly; provided, that such rights and remedies shall not be duplicative of any rights and remedies held by NAI hereunder, it being understood and agreed that CARALOE shall not be required to compensate both NAI and MANNATECH for the same breach, incident or claim. CARALOE shall be entitled to all rights and remedies available to it under this Supply Agreement with respect to the sales of Manapol® powder to either MANNATECH or NAI pursuant to this Supply Agreement (including without limitation, rights under Force Majeure events, rights upon default or NAI and/or MANNATECH and rights of equitable relief) as though MANNATECH has made such purchase directly and no obligation of NAI hereunder shall relieve MANNATECH of any liability or responsibility under this Supply Agreement.

11. Disclaimer and Indemnity.

11.1 To the extent that CARALOE warrants conformity of the Manapol® Powder as set forth in paragraph 7 herein, MANNATECH shall assume all financial and other obligations for its products made with Manapol® powder, and CARALOE shall not incur any liability or responsibility to NAI, MANNATECH or to third parties arising out of or connected in any manner with Manufactured Products. IN NO EVENT SHALL CARALOE BE LIABLE FOR LOST PROFITS, SPECIAL DAMAGES, CONSEQUENTIAL DAMAGES OR CONTINGENT LIABILITIES ARISING OUT OF OR CONNECTED IN ANY MANNER WITH THIS AGREEMENT OR THE MANUFACTURED PRODUCTS. MANNATECH and NAI shall jointly and severally defend, indemnify and hold harmless CARALOE and its affiliates, and their respective officers, directors, employees and agents, from and against all claims, liabilities, demands, damages, expenses and losses (including reasonable attorneys' fees and expenses) arising out of or connected with (i) any manufacture, use, sale or other disposition of Manufactured Products, or any other products of MANNATECH or NAI, by MANNATECH, NAI or any other party and (ii) any breach by MANNATECH and/or NAI of any of their respective obligations under this Supply Agreement.

11.2 Without limiting in any manner the provisions of section 13.1, CARALOE shall defend, indemnify and hold harmless MANNATECH and NAI and their affiliates, and respective officers, directors, employees and agents, from and against all claims, liabilities, demands, damages, expenses and

losses (including reasonable attorneys' fees and expenses) arising out of or connected with (i) and claim that Manapol[®] Powder supplied by CARALOE caused injury or damage to a person or property and (ii) any breach by CARALOE of any of its obligations under this Supply Agreement.

12. Force Majeure. CARALOE shall not have any liability hereunder if it shall be prevented from performing any of its obligations hereunder by reason of any factor beyond its control, including without limitation, fire, explosion, accident, riot, flood, drought, storm, earthquake, lightning, frost, civil commotion, sabotage, vandalism, smoke, hail, embargo, act of God or the public enemy, other casualty, strike or lockout, or interference, prohibition or restriction imposed by any government or any officer or agent thereof ("Force Majeure"), and CARALOE'S obligations, so far as may be necessary, shall be suspended during the period of such Force Majeure and shall be cancelled in respect of such quantities of Manapol[®] powder as would have been sold hereunder but for such suspension. CARALOE shall give MANNATECH prompt notice of any such Force Majeure, the date of commencement thereof and its probable duration and shall give a further notice in like manner upon termination thereof. Each party hereto shall endeavor with due diligence to resume compliance with its obligations hereunder at the earliest date and shall do all that it reasonably can to overcome or mitigate the effects of any such Force Majeure upon its obligations under this Supply Agreement.

13. Rights Upon Default

13.1 CARALOE'S Rights upon Default. If either MANNATECH or NAI (i.) fail to purchase the quantities of Manapol[®] powder specified for purchase by MANNATECH hereunder, (ii.) fails to make a payment hereunder when due, or (iii.) otherwise breaches any term of this Supply Agreement, and such failure or breach is not cured to CARALOE'S reasonable satisfaction within five (5) days (in the case of a failure to make a payment) or thirty (30) days (in any other case) after receipt of notice thereof by MANNATECH, or if MANNATECH fails to perform or observe any covenant or condition on its part to be performed or observed when required to be performed and observed, and such failure continues after the applicable grace period, if any, specified in this Supply Agreement, CARALOE may refuse to make further deliveries hereunder and may terminate this Supply Agreement upon notice to MANNATECH, and in addition, shall have such other rights and remedies, including the right to recover damages, as are available to CARALOE under applicable law or otherwise. If MANNATECH or NAI become bankrupt, insolvent, or if a petition in bankruptcy is filed by or against it, or if a receiver is appointed for it or its properties, CARALOE may refuse to make further deliveries hereunder and may terminate this Supply Agreement upon written notice to NAI and MANNATECH, without prejudice to any rights of CARALOE existing hereunder or under

applicable law or otherwise. Any subsequent shipment of Manapol[®] powder by CARALOE after a failure by MANNATECH and/or NAI to make any payment hereunder, or after any other default by MANNATECH hereunder, shall not constitute a waiver of any rights of CARALOE arising out of such prior default; nor shall CARALOE'S failure to insist upon strict performance of any provision of this Supply Agreement be deemed a waiver by CARALOE of any rights of CARALOE arising out of such prior default; nor shall CARALOE'S failure to insist upon strict performance of any provision of this Supply Agreement be deemed a waiver by CARALOE of any of its rights or remedies hereunder or under applicable law or a waiver by CARALOE of any subsequent default by MANNATECH in the performance of or compliance with any of the terms of this Supply Agreement.

13.2 MANNATECH'S Rights Upon Default. If CARALOE fails in any material respect to perform its obligations hereunder, and such failure is not cured to MANNATECH'S reasonable satisfaction within thirty (30) days after notice thereof by MANNATECH, MANNATECH and NAI shall have the right to refuse to accept further deliveries hereunder and to terminate this Supply Agreement upon notice to CARALOE, and in addition, subject to the provisions of Section 12.3, shall have such other rights and remedies, including the right to recover damages, as are available under applicable law or otherwise. Any subsequent delivery of Manapol[®] powder to MANNATECH and/or NAI after any default by CARALOE under this Supply Agreement shall not constitute a waiver of any rights of MANNATECH and/or NAI arising out of such prior default; nor shall MANNATECH'S and/or NAI's failure to insist upon strict performance of any provision of this Supply Agreement be deemed a waiver by MANNATECH and/or NAI of any of its rights or remedies hereunder or under applicable law or a waiver by MANNATECH and/or NAI of any subsequent default by CARALOE in the performance of or compliance with any of the terms of this Supply Agreement.

14. Further Assurances. The Parties shall execute and deliver such additional documents and take such additional actions as any Party may reasonably deem to be necessary or appropriate to more fully consummate the transactions contemplated by and affect the purposes of this Supply Agreement. All such additional documents and actions shall be deemed to have been executed, delivered or taken on the date of this Supply Agreement, except as may otherwise be appropriate.

15. Authority. The Parties represent that they have full capacity and authority to grant all rights and assume all obligations they have granted and assumed under this Supply Agreement.

16. **Succession.** The Parties hereto may not assign or otherwise transfer this Supply Agreement or any of its rights or obligations hereunder (including, without limitation, by merger or consolidation) without the prior written consent of the other Parties; provided, however, that CARALOE may assign any of its rights or obligations hereunder to any affiliate of CARALOE. Subject to the immediately preceding sentence, this Supply Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.
17. **Counterparts.** This Supply Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
18. **Notices.** All notices and other communications with respect to this Supply Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or three (3) days following deposit in the mails, first class mail, postage prepaid, to the address set forth below, or such other address hereafter specified in like manner by one Party to the others:

If to MANNATECH:

600 S. Royal Lane, #200
Coppell, Texas 75019
Attention: General Counsel

If to NAI:

1185 Linda Vista Drive
San Marcos, California 92069
Attention: Randy Weaver

If to CARALOE:

2001 Walnut Hill Lane
Irving, Texas 75038
Attention: President

19. **Applicable Law; Venue.** This Supply Agreement shall be governed by and construed in accordance with the laws of Texas, without regard to any conflict-of-law rules that would apply any other law. Venue of any action brought to enforce or interpret this Supply Agreement shall only be in Dallas County, Texas.
20. **Binding Effect.** No Party may assign or otherwise transfer this Supply Agreement or any of its rights or obligations hereunder, including without limitation, by merger or consolidation, without the prior written consent of the Party against which enforcement is sought; provided, however, that CARALOE may assign any of its rights or obligations hereunder to any affiliate of CARALOE. Subject to the immediate preceding sentence, this Supply Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Nothing in this Supply Agreement, expressed or implied, is intended to confer on any person other than the Parties or their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Supply Agreement.

21. Interpretation. If any provision of this Supply Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Supply Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added as part of this Supply Agreement, a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
22. No Inconsistent Actions. Each party hereto agrees that it will not voluntarily undertake any action or course of action inconsistent with the provisions or intent of this Supply Agreement and, subject to Section 11 hereof, will promptly do all acts and take all measures as may be appropriate to comply with the terms, conditions and provisions of this Supply Agreement.
23. Survival. The expiration or termination of the Term shall not impair the rights or obligations of the Parties which have accrued hereunder prior to such expiration or termination. The provisions of Paragraphs 2.2, 7, 9, 11, 13 and 14 hereof, and the rights and obligations of the Parties thereunder, shall survive the expiration or termination of the Term.
24. Entire Agreement. Except as otherwise contemplated hereby, this Supply Agreement and the License Agreement, as amended, constitute the entire agreement of the Parties, and supersedes all prior agreements and understandings (oral and written), between or among the parties with respect to the subject matter hereof.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Supply Agreement as of the date first above written.

MANNATECH, INC.,
a Texas corporation

By: /s/ Terry L. Persinger

Name: Terry L. Persinger
Title: President and Chief Operating Officer

NATURAL ALTERNATIVES
INTERNATIONAL, INC.
A Delaware corporation

By: /s/ Randy L. Weaver

Name: Randy L. Weaver
Title: President

CARALOE, INC.,
a Texas corporation

By: /s/ Carlton E. Turner

Name: Carlton E. Turner
Title: CEO

MANAPOL® POWDER PRODUCT SPECIFICATION

SOURCE:

PROCESSING:

PRODUCT SPECIFICATIONS:

Exhibit B
Caraloe Insurance Coverage

TRADEMARK LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT ("Agreement"), effective as of December 1, 2004, is made by and between CARALOE, INC. ("Licensor"), a Texas corporation, having its principal place of business at 2001 Walnut Hill Lane, Irving, Texas 75038, and MANNATECH, INC., ("Licensee"), a Texas corporation, having its principal place of business at 600 S. Royal Lane, Suite 200, Coppell, Texas 75019.

WITNESSETH:

WHEREAS, simultaneously with the execution of this Agreement, Licensor and Licensee are entering into an non-exclusive Supply Agreement of even date herewith (the "Supply Agreement") for the sale by Licensor and purchase by Licensee, through its manufacturer, Natural Alternatives International, Inc. ("NAI"), of bulk aloe vera mucilaginous polysaccharide (hereinafter referred to under the product name of "Manapol[®] powder") to be used in products manufactured by Licensee in capsule (the "Manufactured Products");

WHEREAS, Carrington Laboratories, Inc., a Texas corporation ("Carrington"), claims the ownership of the trademark Manapol[®] (the "Mark") and has granted to Licensor a license to use the Mark and to license others to use it on an exclusive and/or a non-exclusive basis;

WHEREAS, Licensee is desirous of obtaining from Licensor, and Licensor is willing to grant to Licensee, a license to use the product name Manapol[®] (the "Mark") in connection with the advertising and sale of the Manufactured Products subject to the terms, conditions and restrictions set forth herein; and

WHEREAS, Licensor and Licensee are mutually desirous of insuring the consistent quality of all products sold in connection with the Mark;

NOW, THEREFORE, in consideration of premises, the mutual covenants, promises and agreement set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant, promise and agree as follows:

Article 1**LICENSE**

1.1 **Terms and Conditions.** Licensor hereby grants to Licensee the non-transferable right and license to use the Mark in connection with the labeling, advertising and sale of Manufactured Products manufactured and sold by licensee during the term of this Agreement. During the term of this Agreement, Licensee shall have (a) the non-exclusive right to use the Mark in connection with Manufactured Products containing Manapol[®] powder that are intended for sale to the ultimate consumer in the United States, Canada, and Mexico, and (b) the non-exclusive right to use the Mark in connection with Manufactured Products containing Manapol[®] powder that are intended for sale to the ultimate consumer in places other than the United States,

Canada and Mexico, that are specifically and mutually agreed upon from time to time and listed in Exhibit A hereto. The countries in Exhibit A may be removed by Caraloe upon written notice to Mannatech that an exclusive Trademark License Agreement has been executed for that country. In that event, Mannatech shall no longer be allowed to use the Manapol[®] Trademark within the country removed by Caraloe after its existing supplies have been exhausted. Relative to Japan, Mannatech may use the Trademark on a non-exclusive basis under the same conditions as those listed in Exhibit A except no drink may be sold using Manapol[®] powder or the Trademark.

1.2 **License Coterminous With Supply Agreement.** The license granted by this Agreement shall run conterminously with the Supply Agreement, and any actions or events which shall operate to extend or terminate the Supply Agreement shall automatically extend or terminate this Agreement simultaneously.

1.3 **Sublicenses.** Licensee shall not have the right to grant sublicenses without the written permission of Licensor with respect to the license granted herein; however, Licensee may engage a third party or parties to make and affix labels for the Manufactured Products in compliance with Articles 2, 3, and 4 hereof, and/or to distribute and sell the Manufactured Products in compliance with the terms and conditions of this Agreement. Licensee shall be expressly obligated to ensure full compliance with all terms and conditions of this Agreement.

Article 2

CERTAIN OBLIGATIONS OF LICENSEE AND LICENSOR

2.1 **Representations by Licensee.** Licensee shall not represent in any manner that it owns any right, title or interest in or to the Mark. Licensee acknowledges that its use of the Mark shall inure to the benefit of Licensor and shall not create in Licensee's favor any right, title or interest in or to the Mark.

2.2 **Discontinuation of Use of Mark.** Upon the expiration or termination of this Agreement, Licensee will cease and desist from all use of the Mark in any manner and will not adopt or use, without Licensor's prior written consent, any work or mark which is confusingly or deceptively similar to the Mar, except that Licensee may continue to use the Mark under the terms and conditions of this Agreement in connection with any remaining supplies of Manapol[®] powder purchased by Licensee from Licensor until such supplies are exhausted.

2.3 **FDA Compliance of Products.** All products on which the Mark is used by Licensee shall be manufactured, packaged, labeled, advertised, marketed and sold in compliance with (i) the Federal Food, Drug and Cosmetic Act and the rules and regulations promulgated thereunder, as amended from time to time if sold for use within the United States, and (ii) all other applicable laws, rules and regulations if sold for use outside the United States.

2.4 **Inspection.** Upon reasonable notice, Licensor reserves the right to inspect Licensee's products bearing the Mark and Licensee's manufacturing facilities at all reasonable times to insure Licensee's compliance with this Agreement.

2.5 **Use of Trademark.** Licensee shall not use the Mark except as specifically set forth herein. Without limiting the generality of the preceding sentence, Licensee shall not use the Mark in connection with the sale or advertising of any products other than the Manufactured

Products. Any use of the trademark, "Manapol[®]" pursuant to this agreement is non-exclusive. Whenever the Licensee uses the trademark, "Manapol[®]", it shall also indicate that such name is the registered trademark of Licensor and shall take all reasonable measures to assure that there is no confusion of ownership of the mark or the substance which it identifies, the same being the proprietary property of the Licensee. Likewise, Licensor, if referring to Ambrotose[™], shall indicate that the same is the trademark of Mannatech and shall take all reasonable measures to assure that there is no confusion of ownership of the mark or the substance which it identifies, the same being the proprietary property of the Licensee.

2.6 **Trademark Registration.** At Licensor's request and expense and, except as otherwise provided herein at Licensor's sole discretion and option, Licensee shall take whatever action is reasonably necessary to assist Carrington or its assigns in registering the Mark with the U.S. Patent and Trademark Office ("USPTO") and/or in perfecting, protecting or enforcing Carrington's and Licensor's rights in and to the Mark. Licensee understands that Carrington or its assigns may rely solely on Licensee's use of the Mark to obtain or maintain registration with the USPTO.

Article 3

MANUFACTURING AND SALE

3.1 **Manufacturing Facilities.** All manufacturing of the Manufactured Products shall be done in the Licensee's own facilities or qualified contract manufacturing facilities.

3.2 **Combination with Other Products.** Licensee shall not combine Manapol[®] powder with any product or substance in any manner which would violate any laws, rules or regulations of any state, federal or other governmental body. Licensee shall not combine Manapol[®] powder with any other substance in a Manufactured Product that is to be advertised or sold for use or consumption by humans or animals if the approval of the U.S. Food and Drug Administration (the "FDA") or the U.S. Department of Agriculture ("USDA") for such use or consumption is required and has not been obtained.

3.3 **Compliance by Third Parties.** Licensee shall take all steps necessary to ensure that its distributors and any other parties to whom it sells any of the Manufactured Products for resale do not re-label, repackage, advertise, sell or attempt to sell MANAPOL[®] powder or any of the Manufactured Products in a manner that would violate this Agreement is done by Licensee.

Article 4

LABELS AND ADVERTISING

4.1 **FDA Compliance of Labels and Advertising.** All labels and advertising relating to the Manufactured Products offered in connection with the Mark must strictly comply with all applicable rules and regulations of the FDA if sold for use within the United States, and all other applicable laws, rules and regulations wherever sold. Information regarding the ingredients of Manapol[®] powder shall be furnished to Licensee by Licensor from time to time.

4.2 **Mandatory Requirements.** Licensee shall cause all labels, packaging, advertising and promotional materials used by it in advertising, marketing and selling any product

manufactured by or on behalf of Licensee that contains Manapol[®] to contain (i) the Mark, (ii) a statement setting forth the concentration of Manapol[®] powder contained in such product, and (iii) the following legend:

Manapol[®] is a registered trademark of Carrington Laboratories, Inc.

4.3 **Claims by Licensee.** Licensee hereby agrees not to make, or permit any of its employees, agents or distributors to make any claims of any properties or results relating to Manapol[®] powder or any Manufactured Product which would violate any applicable law.

4.4 **FDA or USDA Approval of Claims.** If Licensee desires to seek FDA or USDA approval as to any specific claims with respect to Manapol[®] powder or any Manufactured Product, Licensee hereby agrees to (i) notify Licensor of the claims and the application prior to filing and (ii) to keep Licensor informed as to the progress of the application, including but not limited to sending Licensor copies of all communications or notes to or from the FDA or USDA, as applicable.

4.5 **Right to Approve Labels, etc.** If Licensor so requests, Licensee shall not use any label, advertisement or marketing material that contains the Mark unless such label, advertisement or marketing material has first been submitted to and approved by Licensor. Licensor shall not unreasonably withhold its approval of any such label, advertisement or marketing material.

Article 5

NEGATION OF WARRANTIES, DISCLAIMER AND INDEMNITY

5.1 **Negation of Warranties, etc.** Nothing in this Agreement shall be construed or interpreted as:

(a) a warranty or representation by Licensor that any product made, used, sold or otherwise disposed of under the license granted in this Agreement is or will be free of infringement or the like of the rights of third parties; or

(b) an obligation by Licensor to bring or prosecute actions or suits against third parties for infringement or the like of the Mark or of any registration that may subsequently be granted for such Mark; or

(c) granting by implication, estoppel or otherwise any licenses or rights other than those expressly granted hereunder.

5.2 **Disclaimer.** LICENSOR MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS AND FITNESS FOR A PARTICULAR PURPOSE, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO THE USE, SALE OR OTHER DISPOSITION BY LICENSEE OR ITS CUSTOMERS, VENDERS OR OTHER TRANSFEREES, WITH RESPECT TO THE MARK OR ANY PRODUCTS MADE OR SOLD BY LICENSEE. THE FOREGOING NOTWITHSTANDING, LICENSOR DOES REPRESENT THAT THE Manapol[®] POWDER DOES MEET THE SPECIFICATIONS OUTLINED ON EXHIBIT A OF THE SUPPLY AGREEMENT AND THAT IT IS A FOOD SUPPLEMENT UNDER THE FDA RULES AND REGULATIONS.

5.3 **Liability of Licensee for Products.** Licensee shall assume all financial and other obligations for the products made and sold by it under this Agreement and Licensor shall not incur any liability or responsibility to Licensee or to third parties arising out of or connected in any manner with Licensee's products made or sold pursuant to this Agreement. In no event shall Licensor be liable for lost profits, special damages, consequential damages or contingent liabilities arising out of or connected in any manner with this Agreement or the products made or sold by Licensee under this Agreement.

5.4 **Indemnity of Licensor.** Licensee agrees to defend, indemnify and hold Licensor, its officers, directors, employees and agents, harmless against all claims, liabilities, deands, damages, expenses or losses arising out of or connected with (a) the wrongful or negligent use by Licensee of the Mark or (b) any use, sale or other disposition of Licensee's products by Licensee or by any other party.

5.5 **Negation of Trademark Warranty.** Licensee acknowledges that Licensor makes no warranty, express or implied \, with respect to its ownership of any rights relating to the Mark.

Article 6

TERM AND TERMINATION

6.1 **Term.** Unless terminated earlier as provided for herein, this Agreement shall remain in full force and effect for a five (5)-year period ending at midnight on December 1, 2009. This Agreement may be extended or renewed as provided in Section 1.2, or otherwise by the written agreement of the parties.

6.2 **Breach of Agreement.** Except as provided otherwise in Section 6.3, if either party breaches any material provision of this Agreement and fails to cure the breach within thirty (30) days after receipt of written notice from the nonbreaching party specifying the breach, then the nonbreaching party may terminate this Agreement upon written notice to the breaching party, which right of termination shall be in addition to, and not in lieu of, all other tights and remedies the nonbreaching party may have against the breaching party under this Agreement, at law or in equity. Failure by Licensor to give notice of termination with respect to any such failure shall not be deemed a waiver of its right at a later date to give such notice if such failure continues or again occurs, or if another failure occurs. A breach by either party of a material provision of the Supply Agreement shall be deemed a breach by such party of a material provision of this Agreement.

6.3 **Immediate Termination.** Licensor may immediately terminate this Agreement, upon written notice to Licensee, upon the occurrence of any one or more of the following events: (i) Licensee breaches any provision of Articles 2, 3, or 4; (ii) Licensee fails to purchase and/or to pay for the quantities of Manapol[®] powder that it is obligated to purchase and pay for under the Supply Agreement in accordance with the terms thereof; (iii) Licensee voluntarily seeks protection under any federal or state bankruptcy or insolvency laws; (iv) a petition for bankruptcy or the appointment of a receiver is filed against Licensee and is not dismissed within thirty (30) days thereafter; (v) Licensee makes any assignment for the benefit of its creditors; or (vi) Licensee ceases doing business.

6.4 **Survival of Provisions.** In the event of termination, cancellation or expiration of this Agreement for any reason, Sections 2.2, 2.3, 5.1, 5.2, 5.3, 5.4, 5.5 and 7.1 hereof shall survive such termination, cancellation or expiration and remain in full force and effect.

Article 7

MISCELLANEOUS

7.1 **Equitable Relief.** A breach or default by Licensee of any of the provisions of Articles 2, 3 and 4 hereof shall cause Licensor to suffer irreparable harm and, in such event, Licensor shall be entitled, as a matter of right, to a restraining order and other injunctive relief from any court of competent jurisdiction, restraining any further violation thereof by Licensee, its officers, agents, servants, employees and those persons in active concert or participation with them. The right to a restraining order or other injunctive relief shall be supplemental to any other right or remedy Licensor may have, including, without limitation, the recovery of damages for the breach or default of any of the terms of this Agreement.

7.2 **Amendment.** This Agreement may be changed, modified, or amended only by an instrument in writing duly executed by each of the parties hereto.

7.3 **Entire Agreement.** This Agreement constitutes the full and complete agreement of the parties hereto and supersedes any and all prior understandings, whether written or oral, with respect to the subject matter hereof.

7.4 **No Waiver.** The failure of either party to insist upon strict performance of any obligation hereunder by the other party, irrespective of the length of time for which such failure continues, shall not be a waiver of its right to demand strict compliance in the future. No consent or waiver, express or implied, by either party to or of any breach or default in the performance of any obligation hereunder by the other party shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

7.5 **Notices.** All notices required or permitted to be made or given pursuant to this Agreement shall be in writing and shall be considered as properly given or made when personally delivered or when duly deposited in the mails, first class mail, postage prepaid, or when transmitted by prepaid telegram, and addressed to the applicable address first above written or to such other address as the addressee shall have theretofore specified in a written notice to the notifying party.

7.6 **Assignment.** This Agreement or any of the rights or obligations created herein may be assigned, in whole or in part, by Licensor. However, this Agreement is personal to Licensee, and Licensee may not assign this Agreement or any of its rights, duties or obligations under this Agreement to any third party without Licensor's prior written consent, and any attempted assignment by Licensee not in accordance with this Sections 7.6 shall be void.

7.7 **Relationship of Parties.** Nothing contained herein shall be construed to create or constitute any employment, agency, partnership or joint venture arrangement by and between the parties, and neither of them has the power or authority, express or implied, to obligate or bind the other in any manner whatsoever.

7.8 **Remedies Cumulative.** Unless otherwise expressly provided herein, the rights and remedies hereunder are in addition to, and not in limitation of, any other rights and remedies, at law or in equity, and the exercise of one right or remedy will not be deemed a waiver of any other right or remedy.

7.9 **Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, provided, however, that the foregoing shall not be deemed to expand or otherwise affect the limitations on assignment and delegation set forth in Section 7.6 hereof, and except as otherwise expressly provided in this Agreement, no other person or business entity is intended to or shall have any right or interest under this Agreement.

7.10 **Governing Law.** This Agreement shall be governed by and interpreted, construed and enforced in accordance with the laws of the State of Texas, excluding, however, any conflicts of law rules that would require the application of the laws of any other state or country.

7.11 **Headings.** The headings used in this Agreement are for convenience of reference only and shall not be used to interpret this Agreement.

7.12 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which will constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CARALOE, INC.

By: /s/ Carlton Turner

Name: **Carlton Turner**
Title: Chief Executive Officer

MANNATECH, INC.

By: /s/ Terry L. Persinger

Name: Terry L. Persinger
Title: President

EXHIBIT A

Switzerland

The countries of the European Union as of December 1, 2004

Singapore

Malaysia

Australia

New Zealand

The Philippines

Taiwan

Hong Kong

Japan

South Korea

Mexico

Exhibit A to Trademark License Agreement