



Java Momma Policies and Procedures

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## **Section 1- Purpose of Policies and Procedures**

The purpose of the policies and procedures is to establish company policy and define any contractual relationship between the company and its independent representative (Barista) and to help each Barista understand how to develop and promote their business.

These policies and procedures, in their present form and as amended from time to time, at the sole discretion of Java Momma INC (JM, or the Company) are incorporated into and form an integral part of the agreement. Throughout these Policies and Procedures, when the term “Agreement” or “P&P” is used, it collectively refers to the JM Policies and Procedures, the Leader Bonus Plan, and commission structure. It is the responsibility of each Barista to read, understand, and adhere to these P&P’s as they are now, and when they may be revised. It is the responsibility of the Barista to be aware of the most current version of these documents.

It is not possible for this document to anticipate and address every possible situation. Each Barista agrees to always conduct themselves with honesty, integrity, and concern for the best interests of their customers, fellow Baristas, and the company.

Because federal, state and local laws change, as do business environments, JM reserves the right to amend the Agreement and adjust product pricing at its sole discretion. Amendments shall be effective thirty (30) days after publication of notice that the agreement has been modified. Amendments shall not apply retroactively to conduct that occurred prior to the effective date. Amendments will be announced in email form and on the website. If a Barista elects to reject the amendments, their agreement will be cancelled and they will no longer be eligible to receive commission or bonus payments from the company, sell products, enroll new Baristas, etc.

## **Section 2 – Becoming a Barista**

An individual may be a Barista with JM by:

1. Being a minimum of eighteen years of age.
2. Providing a social security number.
3. Agreeing to the P&P and Barista Agreement.
4. Purchasing or selling Java Momma products via the Barista's Java Momma replicated website.

Benefits of being a Barista include:

1. Purchase of certain items at a 20% discount through the Barista's replicated website when logged in properly.
2. Your own website for customer orders.
3. Participating in the Leadership Bonus Plan (if eligible).
4. Sponsoring others as Baristas, therefore building a sales team.
5. Receiving communications from Java Momma Home office through Hyperwallet.

Each Barista agrees to adhere to the following ethical requirements:

1. Conduct themselves and their business operations in a legal, moral, honest and ethical manner at all times.
2. Avoid actions that could result in conflicts with other Baristas or customers.
3. Refrain from making income claims.
4. Speak well of other Baristas and the company and our competitors.
5. Build relationships with customers.
6. Abide by all terms and policies.

### **Independent Distributor Status**

Baristas are independent distributors, and are not employees or agents of the company. Baristas are not purchasing a franchise or business opportunity, nor any promise of success nor guaranty of any return. The agreement between JM and its Baristas does not create any employer/employee relationship, joint employer/employee relationship, agency, partnership, or joint venture between the Barista and the company. A Barista shall not be treated as an employee for federal, state or local tax purposes. Each Barista is responsible for paying all applicable local, state, and federal taxes due for all income earned as a Barista of the company, as well as any business tax license, or other fees required by any governing agency. The company will maintain services and systems to pay taxes on the items sold on javamomma.com and remit such taxes and fees on the behalf of the Barista. Baristas have no authority to bind the company (whether express, implied, actual, apparent, or ostensible) to any obligation. Barista shall not represent themselves as having any such authority on behalf of Company. Each Barista shall establish their own goals, working hours, and methods of sale, as long as that Barista complies with the Policies and applicable laws. Barista is obligated to educate herself or himself on all laws applicable to Barista's activities under this Agreement or related to the Company.

## **Naming Restrictions**

When using the Java Momma name in any marketing or advertising, including without limitation, social media, print media, video media, voice media, or photo media, Barista shall not communicate, or attempt to communicate the suggestion that Barista is employed by or an owner of Java Momma. Baristas are independent contractors with Java Momma as the parent company. You may not use the Java Momma name or derivatives (i.e. The Java Momma, Java Mamma, Java Mama, Java Daddy, Java Grandma, etc.) in any email address, username or URL address. You may not use any aliases that could cause confusion or be misleading or deceptive in any way. You must be responsive to Java Momma's requests to change your username or alias in the event of a naming conflict. Java Momma shall have, in its complete and unfettered discretion, the right to determine if any name used by a Barista creates confusion or misunderstanding, and shall cease using such confusing naming convention upon written request from the Company. Please see attached Barista Branding Guide.

### **Section 3 – Operation of your business**

#### **Sales policy**

Baristas earn 20% on all direct retail commissionable items. Direct retail sales are those that are made by or for customers to Customers directly on Barista's independent replicated website. Barista's wholesale purchases from the wholesale website shall receive a 20% discount against the retail price of the purchase in lieu of the 20% commission on direct retail sales of commissionable sale items.

JM is an online business. Customer retail sales and wholesale sales to Barista must be conducted through your assigned replicated website to receive credit toward your Personal Volume (PV). PV credits will not issue for sales made outside your replicated website, so it is extremely important to ensure that customers are directed to Barista's replicated website so that Barista will receive PV credit for sales. Front loading is not recommended except for events and then it is suggested you only purchase what you're planning on selling at that particular event. Product is not available for returns to the company due to its fresh nature. Repeated front-loading (for use other than events, parties, etc.) that affects the reputation of Company may lead to a Barista's contract being canceled.

Baristas may not sell product for less than 20% of retail cost.

Baristas also have the option to sell to retail companies and corporations.

Baristas may want to host parties, or coffee socials.

Corporate provided Hostess rewards are as follows:

Hostess with party sales reaching \$100-\$249 (not including tax and shipping), with at least 4 separate customers/sales, each shipped to different locations, will receive 10% of the party total (not including tax and shipping) toward their purchase and one 2 oz. tea for free.

Hostess with party sales reaching \$250-\$499 (not including tax and shipping), with at least 8 separate customers/sales, each shipped to different locations, will receive 15% of the party total (not including tax and shipping) toward their purchase, one 2 oz. tea and one pound of coffee.

Hostess with party sales reaching \$500 or more (not including tax and shipping), with at least 12 separate customers/sales, each shipped to different locations, will receive 15% of the party total (not including tax and shipping) toward their purchase, five 2 oz teas, and two pounds of coffee.

Hostess gets free shipping of his or her order only to her location (not Barista's).

Baristas or those in their household cannot be hosts or guests.

Parties shall be closed within 14 days. Compliance reviews parties and will send emails to Baristas who have parties that exceed the 14 day limit. If the email or request to complete the party goes unanswered, Compliance will close the party and hostess benefits will be surrendered.

No substitutions.

Hostess benefits are for the hostess, not the Barista. Any Barista suspected or found to be using the Party Plan to their own benefit will be exited from the company.

Customers of Baristas can subscribe to commissionable products via the Barista's replicated website. Customers receive a 10% discount, Baristas receive 10% commission of the discounted subscription price. This is to facilitate a passive income source for the Barista.

Baristas are not to collect any credit card information from customers. Process all transactions from the replicated website. When selling product on hand at an event or market, use a secure third-party processor. Any taxes will need to be handled as per your state laws.

### **Events**

Only one Barista from Java Momma may be present at an event at one time. The first Barista to secure an event has precedence over the event in perpetuity. If they pass on the event in the future, another Barista may secure the spot. The previous Barista must secure the space 30 days before the deadline or they give up the space by default. Inquire about a previous Java Momma Barista before moving forward with any other event details. Trying to change the roster to your name will set a bad light on our company and is in violation of our ethics policy. We are of an abundance mindset and there's enough to go around.

### **Retail outlets**

Java Momma products can be sold at any location, retail store, outlet, farm market, flea market, etc., so long as such sales are permitted by applicable law. Retail outlets are defined as physical spaces and locations, not online e-commerce.

### **Roasters and Vendors**

Baristas may not contact or purchase from JM roasters and vendors directly for any reason. Doing so will result in immediate dismissal from the Company.

### **Ordering**

Baristas may only order from their own replicated website.

### **Corporations and Businesses**

Baristas may sell in bulk for resale to corporations or businesses/retail outlets.

### **Fundraising**

As a company, JM encourages Baristas to be good neighbors and activists for the good of their neighbors and communities. Java Momma would like to participate with you. Please email the details of your potential fundraiser, the name of the foundation the funds are being raised for, and the dates of the fundraiser to [fundraiser@javamomma.com](mailto:fundraiser@javamomma.com) for consideration.

### **Advertising**

When promoting the JM products or opportunity, Baristas may use tools supplied by JM, or create their own. Print, online, social media, newspaper, radio ads are all acceptable forms of advertisement. However, it is important that each Barista inform themselves about the rules for branding, online content, and other related issues.

## **Replicated websites**

You will be provided with a replicated site to sell and that will keep track of your PV/sales, wholesale ordering, and customers. You may not sell Java Momma products on your own e-commerce site.

## **Territory**

Enrollment as a Barista with JM does not entitle you to any specific territory, nor is any Barista, in good standing, restricted from operating in any geographic area of the United States. The company may, at its sole and complete discretion, with any reason or no reason at all, limit the number of Baristas in any given area, but Company is not obligated to do so.

## **Sponsorship**

If you have a team and leave the business, you may not sell your team or business. Your customers roll up to your upline, as does the entire team tree. You also may not change sponsors, under any circumstance. A potential team member has sole discretion in choosing their sponsor. There will be no offering of “kit purchasing” or incentives to join other than what JM offers in the kit. The prospective Barista has the final decision on choosing their sponsor, regardless of which Barista introduced them to the Java Momma opportunity. You may, however, run sales and promotions for baristas on your team to encourage sales or party volume.

## **Trademark**

Java Momma is a trademarked brand. A Barista may not sell Java Momma branded products except those offered through the replicated Java Momma website.

## **International**

Java Momma operates in the United States, including APO's. No selling may occur in foreign countries.

## **Returns**

We guarantee customer satisfaction. We offer a 100% refund of the product total to our customers that are unhappy with any of our products when the following guidelines are applied.

Any unopened product will need to be sent in for a refund or exchange. Upon receipt of the product we will review the request and issue credit/exchange for the prior purchase. You must contact [returns@javamomma.com](mailto:returns@javamomma.com) within 15 days upon the delivery and the product must be received back in our warehouse within 30 days from the delivery date.

If you are unhappy with anything that you receive from Java Momma or wish to exchange for merchandise of equal value, we are happy to exchange it for you. Exchange items will be shipped once the original item has been received and inspected. One lb. bags must contain at least 12 oz.

The customer is responsible for all shipping costs and will be charged accordingly. All returned items will be inspected for damage and charges will be assessed before a new item is sent or refund issued. Java Momma is not responsible for damage during shipping. In the event a returned item is rejected, Java Momma will not return to customer.

In the event you receive damaged product, email [returns@javamomma.com](mailto:returns@javamomma.com) within 24-48 hours of arrival. Failure to email within this time frame will void any claim.

Shipping costs are non-refundable. Shipping is part of the transaction, not the product. If the product is defective or damaged, we will refund the original shipping charge and send you a new product. If a product is exchanged or returned for credit, then the customer is responsible for the return shipping costs, reshipping costs, and any damage incurred on the way to the roaster.

### **Returns on Cancellation of Agreement**

All new Baristas have three days to cancel their contract without prejudice. You can cancel in that time frame by emailing [barista@javamomma.com](mailto:barista@javamomma.com). A full refund will be issued when items have been returned to the home office (if kit has been issued). If no kit was issued, a refund will be issued immediately.

Upon cancellation of a Barista's agreement, the Barista may return unused/unopened products. The process is the same as a customer's return process. Please see **Returns**. Baristas become inactive after three months when no purchases or sales occur on their replicated website. After a period of six months of inactivity, their accounts become terminated.

If a resigned Barista would like to re-enter the company, a period of three (3) months must pass before they can apply, and re-entry is at the discretion of Java Momma Home Office and the Java Bean Council. Baristas and those in their household who have been exited from the company will not be eligible for re-entry.

**Compensation**

Baristas derive their income from online sales. Prices are set online and the Baristas receive 20% of their online sales through the Barista’s replicated website. A Barista must be in compliance with the Agreement to qualify for bonuses. So as long as the Barista complies with the terms of the agreement, JM shall pay bonuses to the Barista set forth in the Leadership Bonus plan.

Bonus and commission will be paid via HyperWallet. This is the only method of payouts. Commission and compensation is based on the retail amount (not including any tax or shipping).

**Commission Schedule**

	Discount	Commission
Personal Purchases	20%	0%
Single Purchase	0%	20%
Subscription Purchase	10%	10%

Leadership bonuses will be paid if Barista meets the criteria set forth in the below chart.

**Ranks and Levels of Leadership/Leadership Bonus Plan (Monthly)**

Ranks	Total Team	Personal PV	Team Volume	1st line override	2nd line override	3rd line override
Barista		\$ -	\$ -			
Java Gourmet	5 Baristas in 1st line	\$ 50.00	\$500.00	5%		
Java Leader	20 team members 1st or 2nd line. One Java Gourmet on your First Line	\$ 200.00	\$ 1,500.00	5%	3%	
Roaster	50 team members in 1, 2, and 3 line with One Java Gourmet in third line, two Java Leaders in your first or second line	\$ 300.00	\$ 3000.00	5%	3%	1%

Definitions:

**Personal Volume (PV)** – the amount of retail sales by a Barista. PV is the total of retail price of commissionable products of a single barista. \*In order to keep prices competitive and reasonable for customers, JM may reduce the PV on an item below retail price (items such as, but not limited to, clothing, artisan crafts, mugs) and not everything will have PV assigned to it (items such as, but not limited to, promo items, catalogs, order forms).

**Team Volume (TV)** – the amount of retail sales by applicable team. TV is the total retail price of commissionable products of the team.

**First-line** or first generation refers to those persons that joined the Company directly under Barista.

**Second-line** or second generation refers to those persons that joined the Company through Barista’s first-line.

**Third-line** or third generation refers to those persons that joined the Company through Barista’s second-line.

A **Java Gourmet** is a Barista that meets the criteria set forth in the chart: has at least five first-generation team members, has at least \$50 in personal volume from their replicated website, and at least \$500 in sales for those team members. Bonuses will only be paid on the first-generation sales for Java Gourmets.

A **Java Leader** is a Barista that meets the criteria set forth in the chart: has at least 20 first and/or second-generation team members, has at least \$200 in personal sales on their replicated website, and at

least \$1,500 in sales for those team members. Bonuses will only be paid on the first and second-generation sales for Java Leaders.

A **Roaster** is a Barista that meets the criteria set forth in the chart: has at least 50 first, second, and/or third generation team members, has at least \$300 in personal sales on their replicated website, and at least \$3000 in sales for those team members. Bonuses will only be paid on the first, second, and third generation sales for Baristas.

Percentages under Leadership Bonus Plan do not stack. For example, a Roaster receives only 5% on first-line sales, 3% on second-line sales, and 1% on third-line sales. These percentages are in lieu of what Roaster might have received as a Java leader or Java Gourmet. A Java Leader will receive 5% on first-line sales, and 3% on second-line sales, but no bonus for third-line sales. A Java Gourmet will receive a 5% bonus only on first-line sales, but no bonus on second-line or third-line sales.

Leadership ranks are lifetime ranks, however to receive compensation bonus, you must qualify on a monthly basis based on the chart/criteria set forth above.

#### **Section 4 – Inactivity and Cancellation of Agreement**

So long as the Barista remains active (one sale/purchase on their replicated website in the period of three months) and complies with the terms of the Agreement, JM will pay commission and bonus levels achieved. Following a Barista's non-renewal of his or her agreement, cancellation due to inactivity, voluntary or involuntary (i.e. exited) cancellation, the former Barista shall have no right, title or claim to the organization he or she operated, or any bonuses from the sales generated by the organization. A Barista whose business is cancelled will lose all rights as a Barista. This includes the right to purchase Java Momma products at wholesale and use the replicated website provided, the right to receive future bonuses or income resulting from the sales or activities of the Barista's former organization. In the event of cancellation, the Barista agrees and waives all rights they may have, including but not limited to, property rights to their former organization.

The former Barista will receive the last bonus they were entitled to for the last full pay period he or she was active prior to cancellation (less any amounts withheld during an investigation preceding an involuntary cancellation).

Baristas become inactive after three (3) months when no purchases or sales occur on their replicated website. After a period of six (6) months of inactivity, their accounts become terminated.

If a resigned Barista would like to re-enter the company, a period of three (3) months must pass before they can apply, and re-entry is at the discretion of Java Momma Home Office and the Java Bean Council. Exited Baristas and members of their household are not eligible for reentry.

#### **Changes and Modifications to Policies and Procedures**

From time to time, Company may, and, in Company's sole, complete, and unfettered discretion, reserve the right to revise the Policies and Procedures in any way it sees fit. Company will provide at least three (3) days' notice of changes to the Policies and Procedures. Should Barista object to the change in the Policies and Procedures, Barista's sole and complete remedy shall be to make no further orders from Company.

## **Binding Arbitration**

Should a dispute arise between Barista and Company, Barista and Company shall attempt to resolve the dispute informally. If the dispute cannot be resolved informally, then the Company and Barista agree to attempt to resolve their dispute via voluntary, confidential, mediation before a mediator in the State and County in which Company's home office is located.

Both Company and Barista agree to submit any disputes that cannot be resolved through voluntary mediation to binding arbitration under the Federal Arbitration Act before an arbitrator mutually agreed upon by Barista and Company. The Arbitrator shall be an attorney, professional arbitrator, or retired judge, and shall reside in the State and County in which the Company's home office is located. The Arbitration shall take place in the State and County in which the Company's home office is located. Barista and Company waive their right to a trial by jury or trial by judge in lieu of resolution by Arbitration.

Barista understands and agrees that each dispute between Company and a Barista is an individual matter that must be determined based on the individual facts and circumstances applicable to the specific dispute. Accordingly, Barista agrees to waive any right he or she may otherwise have to bring a representative or collective action (such as a class action) involving more than one Barista, even if the disputes between the Company and other Baristas are similar.