

Inventory Returns on Cancellation of Agreement

All new Baristas may cancel by emailing 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 inventory and products and sales aids for a 100% refund so long as the items are unused and unopened. 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.

Section 4 - Compensation

Baristas derive their income from online sales. Prices are set online and the Baristas receive up to 20% commission of their online sales through the Barista's replicated website. Java Momma shall pay bonuses to Baristas set forth in the Leadership Bonus plan to Baristas in good standing with the terms of the Agreement.

Customers may subscribe to commissionable products via the Barista's replicated website. Customers receive a 10% discount on all subscriptions. Baristas receive 10% commission of the discounted subscription price.

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 (via the back office)	20%	0%
Customer Purchase via Replicated Website	0%	20%
Subscription Purchase	10%	10%

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

Ranks	Total Team	Personal PV	Team Volume	1st line override	2nd line override	3rd line override
Barista		\$ -	\$ -			
Java Gourmet	5 Barista 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%

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

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, and mugs) and not everything will have PV assigned to it (items such as, but not limited to, promo items, catalogs, and order forms).

Team Volume (TV) – the amount of retail sales by applicable team. TV is the total of retail price of commissionable products of the team. TV may include the Barista’s PV.

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 in Team Volume. 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 Volume on their replicated website,

and at least \$1,500 in Team Volume. 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 Volume on their replicated website, and at least \$3000 in sales in Team Volume. Bonuses will only be paid on the first, second, and third generation sales for Baristas.

Percentages under Leadership Bonus Plan do not stack. Each rank will receive the percentages listed for their current “paid as” rank.

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

Section 5 – Inactivity and Cancellation of Agreement

So long as the Barista remains active (one sale/purchase on their replicated website in a rolling three month period) and complies with the terms of the Agreement, JM will pay commission and bonuses achieved. A former Barista (non-renewal of his or her agreement, voluntary or involuntary (i.e. dismissed) cancellation, or cancellation due to inactivity) shall have no right, title, or claim to the organization, team, or business 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 terminated after three months when no purchases or sales occur on their replicated website.

If a resigned or terminated Barista would like to reenter the company, a period of one year must pass before they can apply, and reentry is at the discretion of Java Momma Headquarters 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, reserves the right to, revise the Policies and Procedures in any way it sees fit. Company will provide at least thirty 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.