

## **How SERV will pay its Drivers/Reps**

SERV plans to implement a lucrative payout structure for driver's/representatives that we employ. We have formulated a lucrative structure for employees that drive for SERV. All drivers will be independent contractors within the organization. They will be responsible for reporting their earnings to the IRS through 1099 forms that we will fill out and send to our independent contractors by January 31<sup>st</sup>. Also, SERV may employ a number of support team members, either full-time or part-time, to assist with problems that may arise with orders. The payout structure for drivers is listed below and is subject to change.

### **Payout Structure**

- Driver's earn the Delivery fee associated with each order. SERV will also incorporate a tipping platform within the application.
- Users will be able to tip before or after the order has been concluded. Tips will be paid to the driver in the same way a server earns tips. We are working on implementing a payment solution that will assist with tip payouts after a shift has been concluded.
- Drivers will also earn more for users that decline to subscribe for monthly option with lower fees. The delivery fee fluctuates based on distance with these users, and drivers will also earn the full amount of the delivery fee from both options. This incentivizes drivers to process orders that possess longer distances between pick-up and drop-off locations.
- Delivery fee will initially begin as discussed previously at \$5.00 for subscribers, and \$5.00 plus adjustments based on distance for non-subscribers.
- Checks for delivery fees earned through orders processed will be paid out weekly or bi-weekly.
- The Service fee associated with every order is retained by SERV.
- A potential bonus bracket may be implemented to encourage drivers to process more orders. Example: After processing X amount of orders, a bonus may be added onto each consecutive order past that mark that SERV establishes. Therefore, after ten orders in a single shift are processed by Driver A, that driver now receives a bonus associated with every order thereafter. This bonus and its variables are will differ depending on region, time, and number of orders.
- SERV will also give top independent contractors bonuses based on number of orders processed, user reviews, and deliveries made on time.