

PAY POLICY 1/2



Background

Amazon is committed to conducting its business in a lawful and ethical manner. This policy details minimum earning standards, which DSPs must comply with in addition to all applicable laws. This policy also highlights key working hour requirements specified in GB domestic Drivers' Hours Rules. This policy applies to all Amazon DSPs including AMZL & GSF offering services in UK and is effective February 2019. DSPs are expected to adhere to all applicable regulations including any cases where the regulations are more restrictive than the provisions of this policy.

This policy is split into four sections

i) basic requirements, ii) payments, iii) deductions and iv) working hours.

Each section further specifies legal/contractual requirements and Amazon policy.

Basic Requirements

Invoices:

Delivery Associates ("DAs") must raise an invoice to the DSP who engages them for all fees. DSPs should support DAs to generate invoices where necessary. The invoice issued when paying DAs must include the below details, as well as any additional details required by any applicable regulations:

- Unique tax reference number (UTR)
- DSP company name, address and contact information
- Invoice date
- Delivery Associates / Ltd. Company name and address
- DA VAT and UTR numbers (where relevant)
- A clear description of all charges and deductions
- Each incentive payment/deduction must be shown separately, clearly stated and easily identifiable
- The total fees payable

Minimum fees - Training: After all deductions other than tax, DAs must receive an hourly amount equivalent to at least the then current National Living Wage for induction training, ride along days and any other training they undertake with DSPs.

Minimum fees - Services: After all deductions other than tax, DAs must receive an hourly amount equivalent to at least £9.50/hr for non-London routes and £10.50/hr for London routes.

Payment Terms: All DAs will be paid weekly and on the Thursday after two weeks in arrears i.e the work week finishes on Sunday 2nd August 2020, the DA will be paid Thursday 20th August 2020; however, DSPs should not delay any payments beyond 30 days of engagement or services offered. DA contract (SLA) must specify the payments terms.

Bank transfer: DA fees must be paid must be paid to the DA's individual bank account via bank transfer.

Payments

Bring Your Own Device (BYOD): All payments made for BYOD must be shown separately on the DA invoice to the DSP. DSPs must pay DAs: **£1.80** per route if the DA uses their own phone, data plan, charger, case and cradle. The DSP should pay the driver the full BYOD subsidy, or **£0.95** per route if the DSP provides phone however the DA uses their own data plan, charger, case and cradle. The DSP should pay the DA for data and peripherals cost only, or **£0.85** per route if the DSP provides

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Spotted Bee is the trading name of PAINT Ltd who are registered in England & Wales, Company Number 10202500. PAINT Ltd provide Last Mile Delivery Solutions for Amazon in the United Kingdom and our policies and procedures reflect their requirements. Should any driver or associate be unsure of any policy, they should seek clarification from a Manager or Director.

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charger case, cradle and data plan and the DA uses their own device. the DSP should pay the DA for the device costs only or **£0.75** per route if the DSP provides phone, charger, case and cradle and the DA uses their own data plan. The DSP should pay the DA for the use of their data plan only.

If DSPs are providing phone, data package and peripherals (charger, cradle and case), they may retain the BYOD payment.

Mileage: DSPs must pay 100% of the then current mileage rate paid by Amazon to their DAs and show it separately on the invoice. Administrative charges should not be deducted for issuing fuel cards or for other purposes.

Incentive payments: e.g. At least 90% of performance/quality incentives related to concessions such as DPMO (Defects Per Million Opportunities) FTDS (First Time Delivery Success), DNR (Delivered Not Received), PHR (Preference Honor Rate), peak incentive and rescue routes approved by Amazon must be paid to DAs and shown separately on the invoice. Incentives related to team achievements must also be paid to POCs (dispatchers).

Service delays/disruptions compensation: as paid by Amazon in case of operational delays or disruptions must be paid to DAs and shown separately on the invoice.

Deductions

The only permitted deductions are those listed below. No other deductions from DA earnings are permitted.

Security deposits: DSPs should not withhold a security deposit, unless:

- there is a separate van rental agreement that allows the DSP to do so, and
- the van rental agreement must state the amount and maximum retention period of the security deposit, and
- the security deposit should not exceed £500 and 80% of it must be returned after any applicable deductions no later than 14 days after DA ceases service or returns the van. The remaining 20% can be kept as security deposit to cover for any traffic fines and this must be returned after any applicable deductions no later than 35 days after DA leaves, and

Damages: Vehicle damages actual costs.

Van rental and insurance: DSPs may deduct reasonable van rental and insurance costs from DAs' invoices.

Fines: speeding, parking or other driving fines incurred by the DA (up to the amount of those fines).

Substitution of Services: DSPs may deduct an agreed substitution amount from the DA who requires support, which must be paid in full to the DA who rescued the route. This arrangement must be agreed with the DA in the SLA (DA contract) and shown separately on the invoice.

Working Hour requirements

DSPs must adhere to all applicable regulations on working hours in relation to their DAs and any other personnel, including the GB domestic Drivers' Hours Rules.

Working hour daily limits: DSPs should ensure that DAs do not drive more than 10 hours or work more than 11 hours on any day.

Working hour weekly limit: DAs must not offer delivery services for more than 60hrs/week.

Minimum break time per day: DAs are free to take breaks when and for how long they want (provided reasonable given the services they have agreed to provide), but DSPs should ensure that, as a minimum, DAs take a break of at least the 30 minutes rest after they have been on the road for 5:30hrs and a total of at least 45 minutes if they have been on the road for 8:30hrs.

Minimum rest time between consecutive working days: 10 hours.

Record Keeping: DSPs must record DA hours on a weekly record sheet.

Maximum consecutive working days per week: 6 days/week.

e.g. payments (route fees, BYOD, incentive payments) and deductions (van rental, insurance, damages).

The minimum hour net pay specified by Amazon is subject to change. The rate mentioned here under "Minimum fees - Services" is valid as of Jan 2019. Please seek advice of your DSP Account Manager for the latest rate.

Please liaise with your DSP Account Manager for the latest mileage rate.

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