R&D PROJECT TIME TRACKING DOCUMENTATION

Summit Digital Solutions, Inc.

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1. PURPOSE AND SCOPE

1. This document establishes the official procedures and requirements for tracking time allocated to qualified research and development activities at Summit Digital Solutions, Inc. ("Company") in accordance with IRC Section 41 and applicable Treasury Regulations governing the Research & Development Tax Credit.

2. These procedures apply to all employees, contractors, and consultants engaged in qualified research activities related to the Company's Peak Performance Platform and associated digital transformation technologies.

2. DEFINITIONS

1. "Qualified Research Activities" means systematic activities intended to discover technological information whose application will be useful in developing new or improved business components, including:

a) Development of AI/ML algorithms

b) IoT systems architecture and integration

c) Process automation framework development

d) Analytics engine optimization

e) Platform scalability improvements

2. "Time Tracking System" refers to the Company's designated project management software (currently Atlassian JIRA) configured for R&D activity documentation.

3. TIME TRACKING REQUIREMENTS

1. All personnel engaged in qualified research activities must:

a) Record time entries daily

b) Allocate time in minimum 15-minute increments

c) Specify the relevant project code and research activity category

d) Provide detailed activity descriptions

e) Link entries to corresponding technical documentation

2. Project leads must validate time entries weekly and ensure proper categorization of activities according to established R&D qualification criteria.

4. PROJECT CLASSIFICATION

1. Research projects must be classified according to the following categories:

- Category A: Core Algorithm Development

- Category B: System Architecture Innovation

- Category C: Integration Framework Research

- Category D: Performance Optimization Studies

- Category E: Experimental Features

2. Each project must maintain:

a) Technical uncertainty documentation

b) Process of experimentation records

c) Business component development objectives

d) Innovation advancement documentation

5. DOCUMENTATION REQUIREMENTS

1. Required Supporting Documentation:

- Project charter defining research objectives

- Technical specification documents

- Experimental protocols and results

- Design iterations and progression

- Test data and validation results

- Technical meeting minutes

- Research conclusion reports

2. All documentation must be maintained in the Company's designated document management

system with appropriate version control and retention periods.

6. COMPLIANCE AND AUDIT PROCEDURES

1. Internal Audit Requirements:

- Quarterly review of time tracking compliance

- Semi-annual validation of project classification

- Annual comprehensive documentation audit

- Regular training on documentation requirements

2. External Audit Support:

- Maintenance of audit-ready documentation packages

- Standardized export formats for time tracking data

- Cross-reference systems for supporting documentation

7. ROLES AND RESPONSIBILITIES

1. Research Personnel:

- Accurate daily time recording

- Proper activity categorization

- Supporting documentation maintenance

2. Project Leads:

- Weekly time entry validation

- Project classification accuracy

- Technical documentation oversight

3. R&D Operations Manager:

- System configuration maintenance

- Compliance monitoring

- Training program administration

8. RETENTION AND CONFIDENTIALITY

1. All R&D time tracking records and supporting documentation shall be retained for a minimum of seven (7) years from the date of project completion.

2. Access to R&D documentation shall be restricted to authorized personnel and subject to the Company's standard confidentiality provisions.

9. AMENDMENTS AND UPDATES

1. This documentation protocol shall be reviewed annually and updated as necessary to reflect changes in:

- Tax regulations
- Company research activities
- Documentation systems
- Compliance requirements

AUTHORIZATION

This R&D Project Time Tracking Documentation has been reviewed and approved by:

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Date: January 1, 2024

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