

INVESTOR DISTRIBUTION WATERFALL MODEL

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NaviFloor Robotics, Inc.

Effective Date: January 11, 2024

1. INTRODUCTION

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1 This Investor Distribution Waterfall Model (the "Waterfall Model") sets fo

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2 This Waterfall Model shall govern all distributions of proceeds from any L

2. DEFINITIONS

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1 "Available Proceeds" means the net proceeds received by the Company from

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2 "Liquidity Event" means (i) a merger or consolidation of the Company, (ii)

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3 "Preferred Return" means an annual return of eight percent (8%) compound

3. DISTRIBUTION WATERFALL

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1 First Tier - Series C Preferred Stock

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Return of Original Investment Amount: \$75,000,000

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Preferred Return: 8% per annum

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Participation: 1.5x participation rights

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Priority: Senior to all other classes

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2 Second Tier - Series B Preferred Stock

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Return of Original Investment Amount: \$40,000,000

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Preferred Return: 8% per annum

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Participation: 1.25x participation rights

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Priority: Junior to Series C, senior to Series A

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3 Third Tier - Series A Preferred Stock

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Return of Original Investment Amount: \$15,000,000

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Preferred Return: 7% per annum

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Participation: 1x participation rights

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Priority: Junior to Series B and C

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4 Fourth Tier - Common Stock

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Pro rata distribution of remaining proceeds

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Includes converted preferred stockholders participating above their preferences

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Subject to applicable employee stock option pool allocations

4. DISTRIBUTION MECHANICS

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1 Calculation Methodology

a) Available Proceeds shall first be applied to satisfy the highest priority tier in full

- b) Remaining proceeds cascade to subsequent tiers in order of priority
- c) Within each tier, distributions shall be made pro rata based on ownership percentages
- d) Participation rights are calculated after return of original investment and preferred return

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2 Participation Caps

- a) Series C participation capped at 1.5x original investment
- b) Series B participation capped at 1.25x original investment
- c) Series A participation capped at 1x original investment

5. SPECIAL PROVISIONS

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1 Partial Liquidity Events

In the event of a partial liquidation or distribution, this Waterfall Model shall apply proportionally to the proceeds available for distribution.

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2 Anti-Dilution Adjustments

Distribution calculations shall account for any anti-dilution adjustments pursuant to the Company's Certificate of Incorporation.

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3 Tax Considerations

All distributions shall be made in compliance with applicable tax laws and regulations. The Company may withhold amounts required by law.

6. AMENDMENTS AND MODIFICATIONS

- 7 -

1 This Waterfall Model may only be amended with:

- a) Written consent of the Company
- b) Approval of holders of at least 66.67% of outstanding Series C Preferred Stock
- c) Approval of holders of at least 50% of outstanding Series B Preferred Stock
- d) Any other approvals required by law or the Company's governing documents

7. GOVERNING LAW

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1 This Waterfall Model shall be governed by and construed in accordance with the laws of the State of New York.

8. EXECUTION

IN WITNESS WHEREOF, the Company has caused this Investor Distribution Model to be executed by its duly authorized officer as of the Effective Date.

NAVIFLOOR ROBOTICS, INC.

By: _

Name: James Wilson

Title: Chief Financial Officer

ACKNOWLEDGED AND AGREED:

[Signature blocks for major investors to follow]

