

INSURANCE PREMIUM ALLOCATION SCHEDULE

Summit Digital Solutions, Inc.

Effective Date: January 1, 2024

1. PURPOSE AND SCOPE

1. This Insurance Premium Allocation Schedule ("Schedule") sets forth the methodology and procedures for allocating insurance premium costs across business units, subsidiaries, and operational divisions of Summit Digital Solutions, Inc. ("Company") for fiscal year 2024.
2. This Schedule applies to all insurance policies maintained by the Company, including but not limited to commercial general liability, professional liability, cyber liability, property, directors and officers liability, employment practices liability, and umbrella coverage.

2. INSURANCE POLICIES AND PREMIUM SUMMARY

1. Primary Insurance Policies:

Policy Type	Carrier	Annual Premium	Policy Period
Commercial General Liability	ACE American	\$875,000	1/1/24 - 12/31/24
Professional Liability	AIG Specialty	\$1,250,000	1/1/24 - 12/31/24
Cyber Liability	Beazley	\$950,000	1/1/24 - 12/31/24
Property	FM Global	\$425,000	1/1/24 - 12/31/24
D&O Liability	Chubb	\$785,000	1/1/24 - 12/31/24
EPLI	Travelers	\$295,000	1/1/24 - 12/31/24
Umbrella	Liberty Mutual	\$375,000	1/1/24 - 12/31/24

3. ALLOCATION METHODOLOGY

1. Premium allocation shall be calculated based on the following weighted factors:
- a) Revenue Attribution (40%)
 - b) Headcount Distribution (25%)
 - c) Asset Value (20%)

d) Risk Profile Assessment (15%)

2. Business Unit Categorization:

- Digital Transformation Services
- IoT Integration Division
- AI/ML Implementation Group
- Process Automation Solutions
- Enterprise Consulting Practice

4. ALLOCATION FORMULAS

1. The allocation percentage for each business unit shall be calculated as follows:

Allocation % = (0.40 Revenue %) + (0.25 Headcount %) + (0.20 Asset %) + (0.15 Risk %)

2. Quarterly Adjustments:

Allocations shall be reviewed and adjusted quarterly based on material changes in any weighted factors exceeding 10% variance.

5. BUSINESS UNIT ALLOCATION SCHEDULE

1. Current Premium Allocation Distribution:

Business Unit	Allocation %	Annual Amount
-----	-----	-----
Digital Transformation	35%	\$1,646,750
IoT Integration	25%	\$1,176,250
AI/ML Implementation	20%	\$941,000
Process Automation	12%	\$564,600
Enterprise Consulting	8%	\$376,400

6. PAYMENT AND BILLING PROCEDURES

1. Premium payments shall be processed through the Company's central accounting department.

2. Business units shall be billed monthly for their allocated portion of annual premiums.
3. Payments shall be processed via internal cost center allocation by the 15th of each month.

7. ADMINISTRATIVE PROVISIONS

1. The Chief Financial Officer shall maintain oversight of this Schedule.
2. The Risk Management Department shall conduct semi-annual reviews of allocation methodologies.
3. Any modifications to this Schedule require written approval from the Chief Financial Officer and General Counsel.

8. DISPUTE RESOLUTION

1. Any disputes regarding premium allocations shall be submitted in writing to the Risk Management Committee.
2. The Committee shall review and respond to allocation disputes within 30 business days.

9. COMPLIANCE AND REPORTING

1. Quarterly allocation reports shall be provided to:
 - Business Unit Leaders
 - Finance Department
 - Risk Management Committee
 - Board Audit Committee
2. Annual compliance review shall be conducted by internal audit.

10. AUTHORIZATION

This Insurance Premium Allocation Schedule is hereby adopted and approved:

SUMMIT DIGITAL SOLUTIONS, INC.

By:

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: December 15, 2023

By:

Name: [Chief Financial Officer]

Title: Chief Financial Officer

Date: December 15, 2023

APPROVED AS TO FORM:

By:

Name: [General Counsel]

Title: General Counsel

Date: December 15, 2023