

# **SUMMIT DIGITAL SOLUTIONS, INC.**

## **2023-2025 STOCK OPTION PLAN**

### **1. PURPOSE AND EFFECTIVE DATE**

1 The purpose of the Summit Digital Solutions, Inc. 2023-2025 Stock Option Plan (the "Plan") is to advance the interests of Summit Digital Solutions, Inc. (the "Company") and its stockholders by providing eligible employees, directors, and consultants with opportunities to acquire shares of the Company's common stock ("Common Stock").

2 This Plan shall become effective upon approval by the Board of Directors on January 1, 2023 (the "Effective Date") and shall terminate on December 31, 2025 (the "Termination Date").

### **2. ADMINISTRATION**

1 The Plan shall be administered by the Compensation Committee (the "Committee") of the Board of Directors.

2 The Committee shall have full power and authority to:

- (a) Select Option recipients
- (b) Determine the size and type of Options granted
- (c) Establish all terms and conditions of Option agreements
- (d) Interpret the Plan and Option agreements
- (e) Adopt rules for Plan administration
- (f) Make all other determinations necessary for Plan operation

### **3. ELIGIBILITY AND PARTICIPATION**

1 The following individuals shall be eligible to receive Options under the Plan:

- (a) Full-time employees of the Company
- (b) Non-employee directors
- (c) Key consultants and advisors

2 The maximum number of shares available under the Plan shall be 2,500,000 shares of Common Stock, subject to adjustment under Section 8.

### **4. OPTION TERMS AND CONDITIONS**

### 1 Exercise Price

- (a) The exercise price per share shall not be less than 100% of Fair Market Value on the date of grant
- (b) Fair Market Value shall be determined by the Committee in good faith

### 2 Vesting Schedule

- (a) Standard vesting: 25% after year one, with remaining 75% vesting quarterly over three years
- (b) Accelerated vesting upon Change in Control as defined in Section 7
- (c) Committee discretion to modify vesting schedules

### 3 Option Term

- (a) Maximum term of ten (10) years from grant date
- (b) Earlier termination upon employment cessation per Section 5

## **5. TERMINATION OF EMPLOYMENT**

### 1 Voluntary Termination or Termination for Cause

- (a) Unvested Options expire immediately
- (b) Vested Options exercisable for 90 days post-termination

### 2 Termination Without Cause or Resignation for Good Reason

- (a) Continued vesting for 12 months
- (b) Exercise period extended to 180 days post-termination

### 3 Death or Disability

- (a) Immediate vesting of 50% of unvested Options
- (b) Exercise period extended to 12 months

## **6. EXERCISE PROCEDURES**

### 1 Notice and Payment

- (a) Written notice to Company
- (b) Full payment of exercise price by cash, check, or wire transfer
- (c) Stock swap or net exercise permitted with Committee approval

### 2 Tax Withholding

- (a) Company may require tax withholding prior to exercise

- (b) Share withholding permitted to satisfy tax obligations

## **7. CHANGE IN CONTROL**

### **1 Definition**

A Change in Control shall mean:

- (a) Acquisition of 50% or more of Company voting power
- (b) Change in majority of Board composition
- (c) Sale of substantially all Company assets
- (d) Company merger or consolidation

### **2 Treatment of Options**

- (a) Full acceleration of vesting
- (b) Cash-out of Options at transaction price
- (c) Assumption or substitution by successor entity

## **8. ADJUSTMENTS FOR CORPORATE TRANSACTIONS**

1 The Committee shall make appropriate adjustments to:

- (a) Number and type of shares reserved
- (b) Exercise prices
- (c) Other terms as needed

## **9. AMENDMENT AND TERMINATION**

1 The Board may amend or terminate the Plan at any time

2 No amendment shall materially impair existing Option rights without participant consent

## **10. GENERAL PROVISIONS**

### **1 No Employment Rights**

Options do not confer any right to continued employment

### **2 Non-Transferability**

Options are non-transferable except by will or laws of descent

### **3 Governing Law**

Plan governed by Delaware law

IN WITNESS WHEREOF, Summit Digital Solutions, Inc. has caused this Plan to be executed by its duly authorized officer on December 15, 2022.

SUMMIT DIGITAL SOLUTIONS, INC.

**By: \_**

Dr. Alexandra Reeves

Chief Executive Officer

ATTEST:

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Corporate Secretary