

EMPLOYEE TAX WITHHOLDING RECORDS

Summit Digital Solutions, Inc.

For Period: January 1, 2023 - December 31, 2023

Document Reference: SDS-TAX-2023-001

1. CERTIFICATION OF RECORDS

The undersigned, in their capacity as Director of Human Resources and Tax Compliance Officer of Summit Digital Solutions, Inc., a Delaware corporation (the "Company"), hereby certifies that the following information regarding employee tax withholding practices and procedures is true and accurate as of December 31, 2023.

2. WITHHOLDING COMPLIANCE OVERVIEW

1. The Company maintains complete and accurate records of all tax withholdings for its 385 full-time employees across all jurisdictions where the Company maintains operations.
2. All withholding calculations and remittances are processed through ADP Workforce Now (Platform Version 23.4), with regular compliance updates and annual third-party audits.
3. The Company utilizes multi-state tax matrices updated quarterly to ensure accurate withholding across its operations in Delaware, California, Texas, New York, and Massachusetts.

3. WITHHOLDING CATEGORIES AND PROCEDURES

1. ****Federal Income Tax Withholding****
 - Compliance with IRS Publication 15 (Circular E)
 - Weekly verification of withholding tables
 - Quarterly reconciliation of withholding amounts
 - Annual W-2 preparation and verification procedures
2. ****State Income Tax Withholding****
 - State-specific withholding tables maintained for all applicable jurisdictions
 - Monthly verification of state tax rate changes
 - Quarterly state tax reconciliation procedures
 - Annual state W-2 and reconciliation forms

3. ****FICA Withholding****

- Social Security withholding at 6.2% up to annual wage base
- Medicare withholding at 1.45% for all wages
- Additional Medicare Tax withholding of 0.9% for wages above threshold
- Quarterly verification of wage bases and thresholds

4. RECORD RETENTION AND DOCUMENTATION

1. The Company maintains the following records for each employee:

- Form W-4 and state equivalents
- Quarterly wage and tax statements
- Annual W-2 forms
- Tax remittance confirmations
- Correspondence with tax authorities
- Adjustment documentation

2. Records are retained for seven (7) years in accordance with Company Policy SDS-TAX-2018-003 and applicable federal and state requirements.

5. COMPLIANCE MONITORING AND REPORTING

1. ****Internal Controls****

- Monthly reconciliation of payroll tax accounts
- Quarterly compliance reviews by Tax Department
- Annual internal audit of withholding procedures
- Regular training for payroll personnel

2. ****External Verification****

- Annual review by Ernst & Young LLP
- Quarterly compliance checks by ADP
- State tax authority audits as required
- Independent verification of multi-state calculations

6. SPECIAL CONSIDERATIONS

1. ****Remote Worker Program****

- Enhanced monitoring for multi-state employees
- State-specific withholding agreements
- Regular review of nexus implications
- Documentation of primary work location

2. ****Equity Compensation****

- Supplemental wage withholding procedures
- RSU vesting tax calculations
- Stock option exercise withholding
- ESPP participation withholding

7. CERTIFICATION OF COMPLIANCE

The Company hereby certifies that:

1. All required federal and state tax deposits were made timely and accurately during the covered period.
2. No material notices of deficiency or assessment have been received from any taxing authority regarding withholding practices.
3. All withholding tax returns have been filed timely and accurately.

8. AUTHORIZATION

IN WITNESS WHEREOF, the undersigned has executed this certification as of January 9, 2024.

SUMMIT DIGITAL SOLUTIONS, INC.

By: _

Name: Jennifer Martinez

Title: Director of Human Resources

By: _

Name: David Cohen

Title: Tax Compliance Officer

9. DISCLAIMER

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