

**SALES COMMISSION CALCULATIONS AND COMPENSATION  
STRUCTURE**

**Q4 2023 - Summit Digital Solutions, Inc.**

**EFFECTIVE DATE: October 1, 2023 - December 31, 2023**

**DOCUMENT VERSION: 2.3**

**LAST UPDATED: September 15, 2023**

**APPROVED BY: Sarah Blackwell, COO**

**1. PURPOSE AND SCOPE**

- 1. This document establishes the official sales commission structure and calculation methodology for Summit Digital Solutions, Inc. ("Company") for the Fourth Quarter of fiscal year 2023.
- 2. These provisions apply to all sales personnel classified as Account Executives, Senior Account Executives, Enterprise Account Directors, and Regional Sales Directors.

**2. DEFINITIONS**

- 1. "Qualified Sale" means any customer contract for Company's digital transformation services that has been fully executed and meets minimum deal requirements.
- 2. "Net Revenue" refers to the total contract value less any discounts, credits, or adjustments, excluding taxes and implementation fees.
- 3. "Commission Period" means the calendar quarter during which the commission is earned (Q4 2023).

**3. COMMISSION TIERS AND RATES**

- 1. Standard Commission Tiers:

Quarterly Revenue Achievement   Commission Rate	
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\$0 - \$250,000	6%
\$250,001 - \$500,000	8%

\$500,001 - \$1,000,000	10%	
\$1,000,001+	12%	

## 2. Strategic Product Multipliers:

- Peak Performance Platform implementations: 1.25x
- AI/ML Solutions: 1.2x
- IoT Integration Services: 1.15x

## 4. CALCULATION METHODOLOGY

### 1. Base Commission Calculation:

- $\text{Commission} = (\text{Net Revenue} \times \text{Applicable Tier Rate}) \times \text{Product Multiplier}$

### 2. Accelerators:

- Achievement of quarterly quota: Additional 2% on all deals
- Multi-year contracts: Additional 0.5% per contract year
- New logo acquisition: Additional 1% bonus

## 5. PAYMENT TERMS AND CONDITIONS

### 1. Commission Payment Schedule:

- Commissions are calculated monthly
- Payment occurs on the 15th of the month following the close of each month
- Q4 true-up payments processed by January 31, 2024

### 2. Payment Requirements:

- Customer must have signed valid contract
- Initial payment received from customer
- Deal approved by Revenue Recognition Committee

## 6. SPECIAL PROVISIONS

### 1. Team Selling:

- Split commission arrangements must be documented prior to deal close
- Standard split: 60% (Primary) / 40% (Secondary)

- Maximum of three sales representatives per deal

## 2. Strategic Accounts:

- Named accounts receive 1.5x multiplier
- Must be registered in Salesforce.com with approved account plan

## **7. CLAWBACK PROVISIONS**

### 1. The Company reserves the right to recover paid commissions under the following circumstances:

- Customer termination within 90 days
- Contract value reduction
- Payment default by customer
- Discovery of unauthorized discounts or terms

## **8. ADMINISTRATIVE PROCEDURES**

### 1. Commission Disputes:

- Must be submitted in writing within 30 days of payment
- Reviewed by Sales Operations and Finance
- Final determination by Chief Revenue Officer

### 2. Documentation Requirements:

- Completed deal documentation in Salesforce.com
- Signed commission calculation worksheet
- Approved exceptions or special terms

## **9. LEGAL CONSIDERATIONS**

1. This document does not constitute an employment contract or guarantee of compensation.
2. The Company reserves the right to modify or terminate this commission structure at any time.
3. All commission payments are subject to applicable tax withholding requirements.

## **10. APPROVAL AND MODIFICATION**

This commission structure has been approved by the Executive Committee and Board of Directors of

Summit Digital Solutions, Inc.

APPROVED BY:

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Sarah Blackwell

Chief Operating Officer

Date: September 15, 2023

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James Henderson

Chief Digital Officer

Date: September 15, 2023

—

Marcus Thompson

VP of Sales

Date: September 15, 2023

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