

# ANNUAL SHAREHOLDER DISTRIBUTION SCHEDULE

**Summit Digital Solutions, Inc.**

*A Delaware Corporation*

*For Fiscal Year Ending December 31, 2023*

## 1. GENERAL PROVISIONS

1 This Annual Shareholder Distribution Schedule (the "Schedule") is prepared pursuant to Article VII of the Amended and Restated Bylaws of Summit Digital Solutions, Inc. (the "Corporation"), dated March 15, 2016, and sets forth the authorized distributions to shareholders for the fiscal year ending December 31, 2023.

2 All distributions described herein have been duly authorized by the Board of Directors in accordance with Delaware General Corporation Law and the Corporation's Certificate of Incorporation.

## 2. DISTRIBUTION DETAILS

### 1 \*\*Quarterly Distributions\*\*

The Corporation has declared the following quarterly distributions for FY2023:

Quarter	Record Date	Payment Date	Amount per Share
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Q1 2023	03/15/2023	03/31/2023	\$0.45
Q2 2023	06/15/2023	06/30/2023	\$0.48
Q3 2023	09/15/2023	09/30/2023	\$0.52
Q4 2023	12/15/2023	12/31/2023	\$0.55

### 2 \*\*Special Distributions\*\*

A special one-time distribution of \$1.25 per share was declared on October 1, 2023, payable on November 15, 2023, to shareholders of record as of October 31, 2023.

## 3. SHAREHOLDER CLASSES

### 1 \*\*Distribution Rights by Share Class\*\*

a) Class A Common Stock

- Full participation in all quarterly and special distributions
- 45,000,000 shares authorized
- 32,750,000 shares issued and outstanding

b) Class B Common Stock

- Participating on a 1:1 basis with Class A for quarterly distributions
- 50% participation rate for special distributions
- 15,000,000 shares authorized
- 8,250,000 shares issued and outstanding

c) Series C Preferred Stock

- Fixed dividend rate of 6% per annum
- Priority distribution rights
- 5,000,000 shares authorized
- 3,750,000 shares issued and outstanding

#### **4. DISTRIBUTION CALCULATIONS**

1 **\*\*Total Distribution Allocation\*\***

For FY2023, the total distribution amount is calculated as follows:

a) Quarterly Distributions:

- Q1: \$14,737,500
- Q2: \$15,720,000
- Q3: \$17,030,000
- Q4: \$18,012,500

Total Quarterly: \$65,500,000

b) Special Distribution:

- Class A: \$40,937,500
- Class B: \$5,156,250

Total Special: \$46,093,750

c) Preferred Stock Fixed Dividend:

- Annual Amount: \$11,250,000

## **5. COMPLIANCE AND RESTRICTIONS**

1 All distributions specified herein comply with:

- Delaware General Corporation Law 170
- The Corporation's debt covenants
- Board-approved Distribution Policy dated January 15, 2023
- Shareholders' Agreement dated March 15, 2016

2 **\*\*Distribution Restrictions\*\***

The following restrictions apply:

- a) Maintenance of minimum liquidity threshold of \$25,000,000
- b) Compliance with debt service coverage ratio of 2.0x
- c) Retention of sufficient working capital as determined by the Board

## **6. TAX CONSIDERATIONS**

1 All distributions described herein are classified as qualified dividends under IRC 1(h)(11).

2 The Corporation shall issue IRS Form 1099-DIV to all shareholders receiving distributions exceeding \$10 in aggregate during the tax year.

## **7. ADMINISTRATIVE PROVISIONS**

1 **\*\*Distribution Agent\*\***

Computershare Trust Company, N.A. serves as the Corporation's distribution agent and registrar.

2 **\*\*Unclaimed Distributions\*\***

Unclaimed distributions shall be handled in accordance with Delaware escheatment laws and the Corporation's Unclaimed Property Policy.

## **8. CERTIFICATION**

The undersigned hereby certifies that this Schedule has been approved by the Board of Directors of Summit Digital Solutions, Inc. on December 15, 2023.

IN WITNESS WHEREOF, this Schedule has been executed as of December 15, 2023.

SUMMIT DIGITAL SOLUTIONS, INC.

**By: \_**

Dr. Alexandra Reeves

Chief Executive Officer

ATTEST:

**By: \_**

Corporate Secretary

[CORPORATE SEAL]