

VENDOR PAYMENT SCHEDULE AND ANALYSIS

Summit Digital Solutions, Inc.

Effective Date: January 1, 2024

Document Reference: VPS-2024-Q1-001

1. OVERVIEW AND PURPOSE

1. This Vendor Payment Schedule and Analysis ("Schedule") sets forth the payment terms, procedures, and analysis methodology for Summit Digital Solutions, Inc. ("Company") regarding its vendor relationships and associated financial obligations.

2. This Schedule shall govern all vendor payment processes unless specifically superseded by individual vendor contracts or amendments executed by authorized Company officers.

2. PAYMENT TERMS AND SCHEDULING

1. **Standard Payment Terms**

- Net 30 payment terms shall apply to all vendors unless otherwise specified
- Early payment discounts of 2% for Net 15 available upon written agreement
- Payment processing occurs weekly on Thursdays
- ACH is the preferred payment method; wire transfers for international vendors

2. **Strategic Vendor Payment Terms**

- Technology infrastructure providers: Net 45
- Cloud service providers: Net 60
- Hardware suppliers: Net 45
- Professional services: Net 30
- Software licensors: Per license agreement terms

3. **Payment Priority Classifications**

- Tier 1: Mission-critical technology infrastructure (processed weekly)
- Tier 2: Core operational vendors (processed bi-weekly)
- Tier 3: Non-critical vendors (processed monthly)

3. VENDOR ANALYSIS AND MONITORING

1. ****Financial Risk Assessment****

The Company shall conduct quarterly risk assessments for vendors with annual spend exceeding \$250,000, evaluating:

- Financial stability metrics
- Service delivery performance
- Compliance with contractual terms
- Market position and competitive alternatives

2. ****Spend Analysis Requirements****

Monthly analysis shall include:

- Spend by vendor category
- Payment timing performance
- Discount capture rate
- Service level agreement compliance
- Cost variance analysis

4. PAYMENT PROCESSING PROCEDURES

1. ****Authorization Matrix****

Payment authorization levels are established as follows:

- Up to \$10,000: Department Manager
- \$10,001 - \$50,000: Director level
- \$50,001 - \$250,000: VP level
- Above \$250,000: C-suite approval required

2. ****Documentation Requirements****

All payments must be supported by:

- Valid purchase order
- Approved invoice
- Receipt confirmation
- Contract reference
- Authorization per matrix

5. VENDOR MANAGEMENT AND REPORTING

1. **Performance Metrics**

The following metrics shall be tracked and reported monthly:

- Average payment cycle time
- Early payment discount capture rate
- Invoice processing accuracy
- Vendor satisfaction scores
- Cost savings achieved

2. **Quarterly Review Process**

Finance department shall prepare quarterly vendor analysis including:

- Spend trends and projections
- Risk assessment updates
- Performance metric summary
- Recommendation for vendor optimization
- Cost reduction opportunities

6. COMPLIANCE AND CONTROLS

1. **Internal Controls**

- Segregation of duties between requisition, approval, and payment
- System access controls and audit trails
- Regular reconciliation of vendor statements
- Documentation retention requirements
- Periodic internal audit review

2. **Regulatory Compliance**

- Vendor master file maintenance procedures
- Tax reporting requirements
- Foreign vendor payment compliance
- Sanctions screening requirements
- Anti-corruption due diligence

7. AMENDMENTS AND UPDATES

1. This Schedule may be amended by the Company's Chief Financial Officer with notification to affected departments.
2. Updates shall be reviewed annually and distributed to relevant stakeholders.

8. APPROVAL AND EXECUTION

IN WITNESS WHEREOF, this Vendor Payment Schedule and Analysis has been approved and executed by the duly authorized representative of Summit Digital Solutions, Inc.

SUMMIT DIGITAL SOLUTIONS, INC.

By:

Name: Sarah Blackwell

Title: Chief Operating Officer

Date: January 1, 2024

REVIEWED AND APPROVED:

By:

Name: [Finance Director Name]

Title: Director of Finance

Date: January 1, 2024

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