

# **Table of Contents**

Introduction and Purpose	. 3
Intent of Agreement	. 3
Definitions and Interpretations	. 3
Key Definitions	. 3
Interpretation	4
Compensation Deferral and Election	4
Deferral Election Process	4
Deferral Amounts and Limitations	- 5
Irrevocability of Elections	. 5
Vesting and Forfeiture Provisions	- 5
Vesting Schedule	- 5
Forfeiture Provisions	. 5
Termination	6
Payment Terms and Distribution Schedule	6
Forms of Payment	6
Distribution Events	6
Payment Schedule	. 7
Tax Treatment and Reporting	7
Tax Implications	8
Employer Tax Obligations	8
Reporting Requirements	8
Rights and Obligations of Parties	8
Employer Obligations	8
Employee Rights	8
Limitations on Transfer	9
Termination and Amendment	9
Amendment	9
Miscellaneous Provisions	9
Governing Law	9
Dispute Resolution	9
Confidentiality	10
Entire Agreement	10
Amendment	10







Severability	10
Notices	10









# **Introduction and Purpose**

This Deferred Compensation Agreement (the "Agreement") is made and entered into as of August 9, 2025, by and between Docupal Demo, LLC, a company located at 23 Main St, Anytown, CA 90210, United States ("DocuPal Demo"), and Acme, Inc, a business located at 3751 Illinois Avenue, Wilsonville, Oregon – 97070, USA ("ACME-1").

#### **Intent of Agreement**

The primary intent of this Agreement is to establish a deferred compensation plan. This plan allows ACME-1's key employees to defer a portion of their compensation to a later date. The compensation covered by this plan includes salary and bonuses. DocuPal Demo and ACME-1 enter into this agreement to define the terms and conditions of this deferral. This Agreement sets forth the rights, obligations, and responsibilities of both parties with respect to the deferred compensation.

# **Definitions and Interpretations**

For the purposes of this Deferred Compensation Agreement, the following terms shall have the meanings set forth below:

## **Key Definitions**

- **Deferred Compensation** means that portion of the Employee's compensation which, pursuant to this Agreement and the Employee's election, is not paid to the Employee during the Plan Year but is instead deferred to a future date in accordance with the terms of this Agreement.
- Earnings refers to the amounts credited to the Employee's Account that reflect the investment performance of the investment measure or measures selected by the Employee or the Company, as applicable. Earnings may include interest, dividends, gains, and losses.
- **Termination** signifies the cessation of the Employee's employment with ACME-1 for any reason, whether voluntary or involuntary, including but not limited to resignation, retirement, disability, or death. The date of Termination







shall be the last day the Employee performs services for ACME-1.

• Change in Control shall mean the occurrence of any of the following events: (i) a change in the ownership of ACME-1, (ii) a change in the effective control of ACME-1, or (iii) a change in the ownership of a substantial portion of the assets of ACME-1, each as defined under applicable regulations, including Section 409A of the Internal Revenue Code.

#### Interpretation

The terms of this Agreement shall be interpreted in accordance with their plain meaning and consistent with the intent of the parties. In the event of any ambiguity, the intent of the parties and applicable law shall govern the interpretation. Headings are for convenience only and do not affect interpretation. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles.

# **Compensation Deferral and Election**

Eligible employees may elect to defer a portion of their compensation under this Agreement. The election process, deferral amounts, and any limitations are detailed below.

#### **Deferral Election Process**

To participate in the deferred compensation plan, an employee must complete and submit an election form to Docupal Demo, LLC. This form indicates the amount or percentage of compensation the employee wishes to defer. Election forms must be submitted prior to the beginning of the plan year to be effective for that year. Late elections will not be accepted.

#### **Deferral Amounts and Limitations**

The specific amount or percentage of compensation that can be deferred is determined by the employee and specified in the election form. However, deferral amounts are subject to certain limitations. These limitations may include caps on the maximum amount that can be deferred, as determined by Docupal Demo, LLC,







and any applicable IRS regulations. The Company will communicate these limitations to eligible employees prior to the election period. The Company reserves the right to modify these limits at any time.

### **Irrevocability of Elections**

Once an election form has been submitted and the plan year has commenced, the election is generally irrevocable. Changes to the deferral amount or percentage are not permitted during the plan year, except in limited circumstances as determined by Docupal Demo, LLC, and in compliance with Section 409A of the Internal Revenue Code. Any such exceptions will be communicated to eligible employees in writing.

# **Vesting and Forfeiture Provisions**

The Participant's right to the Deferred Compensation shall vest according to the following schedule.

## **Vesting Schedule**

The Deferred Compensation shall become fully vested upon the Participant completing three (3) years of service with Docupal Demo, LLC. Upon completion of the requisite service period, the Participant shall be 100% vested in the Deferred Compensation.

#### **Forfeiture Provisions**

Notwithstanding the vesting schedule outlined above, the Participant's right to the Deferred Compensation shall be subject to forfeiture upon the occurrence of certain events. Specifically, if the Participant's employment with Docupal Demo, LLC is terminated for cause, the Participant shall forfeit all rights to any unpaid Deferred Compensation. Termination for cause shall be determined by Docupal Demo, LLC in its sole and reasonable discretion.







#### **Termination**

Upon termination of the Participant's employment with Docupal Demo, LLC, the payment of the Deferred Compensation shall be handled as follows. Regardless of the reason for termination (except as specified under "Forfeiture Provisions"), the Deferred Compensation shall be paid according to the payment schedule outlined in this Agreement. The specific timing and form of payment shall be consistent with the elections made by the Participant and the terms defined elsewhere in this Agreement.

# Payment Terms and Distribution Schedule

Payments to participants will be made according to the payment schedule they elect. The specific timing and method of these payments are contingent upon several factors, including the participant's elections and the occurrence of certain events.

#### **Forms of Payment**

ACME-1 offers flexibility in how deferred compensation is distributed. Participants may elect to receive their payments in the following forms:

- Cash: Payments can be made in cash.
- Lump Sum: Participants can choose to receive their entire deferred compensation in a single payment.
- **Installments**: Participants can opt to receive their deferred compensation in a series of payments over a defined period.

#### **Distribution Events**

The timing of distributions depends on specific events:

- **Retirement:** Upon retirement, the participant will receive distributions according to their elected schedule.
- **Death:** In the event of the participant's death, distributions will be made to their designated beneficiary.





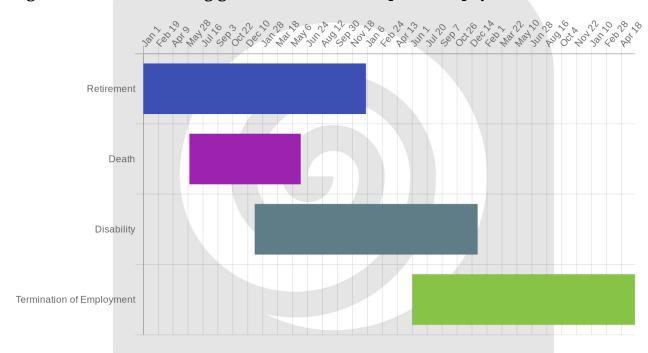




- **Disability:** If the participant becomes disabled, distributions will commence as per their chosen schedule.
- **Termination of Employment:** Upon termination of employment for any reason other than cause, distributions will be made in accordance with the participant's elections. For termination due to cause, please refer to the forfeiture provisions outlined in the agreement.

## **Payment Schedule**

The specific payment schedule is determined by the participant's elections made prior to the deferral period. These elections are subject to the terms and conditions outlined in this agreement and must comply with all applicable laws and regulations. The following grant chart illustrates potential payout schedules:



# **Tax Treatment and Reporting**

## **Tax Implications**

The deferred compensation will be taxed as ordinary income to the employee when it is actually paid out or made available. Docupal Demo, LLC will withhold all applicable income and employment taxes at the time of distribution. The employee







will be responsible for paying all applicable taxes on the deferred compensation when it is received.

#### **Employer Tax Obligations**

Docupal Demo, LLC will be able to deduct the deferred compensation when it is includible in the employee's gross income, subject to the general rules regarding deductibility of compensation. Docupal Demo, LLC will also be responsible for paying employer payroll taxes, such as FICA and FUTA, at the time the deferred compensation is paid to the employee.

#### **Reporting Requirements**

Both Docupal Demo, LLC and the employee will comply with all applicable IRS regulations regarding the reporting of deferred compensation. Docupal Demo, LLC will report the deferred compensation payments on Form W-2. The employee will report the deferred compensation as income on their individual income tax return. Both parties agree to provide each other with any information necessary to comply with these reporting requirements.

# **Rights and Obligations of Parties**

## **Employer Obligations**

Docupal Demo, LLC, the employer, is obligated to administer the Deferred Compensation Agreement. This includes managing the deferral elections made by ACME-1. It also requires making payments of deferred compensation to ACME-1. All payments must be in accordance with the terms outlined in this agreement.

#### **Employee Rights**

ACME-1 retains the right to receive deferred compensation payments. These payments will be made according to the schedule and terms specified within this agreement.







#### **Limitations on Transfer**

ACME-1's right to receive deferred compensation is subject to limitations. Deferred compensation cannot be transferred or assigned to another party. This ensures the intended beneficiary receives the deferred funds.

## **Termination and Amendment**

This Deferred Compensation Agreement can be terminated by the mutual written consent of Docupal Demo, LLC and ACME-1. Termination is effective as of the date specified in the written agreement.

#### Amendment

This Agreement may be amended at any time. All amendments require a written agreement. The written amendment must be signed by both Docupal Demo, LLC and ACME-1 to be valid. No other form of modification is permitted.

# **Miscellaneous Provisions**

#### **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles.

## **Dispute Resolution**

Any dispute arising out of or relating to this Agreement shall be resolved through binding arbitration in accordance with the rules of the American Arbitration Association. The arbitration shall take place in Anytown, California, unless otherwise agreed by the parties. The decision of the arbitrator shall be final and binding on both parties.







#### Confidentiality

The Employee acknowledges that the terms of this Agreement and any information related to the Company's business, financial condition, or other proprietary matters constitute confidential information. The Employee agrees to maintain the confidentiality of such information and not to disclose it to any third party without the prior written consent of the Company, except as required by law. This confidentiality obligation shall survive the termination of this Agreement.

#### **Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications and proposals, whether oral or written, between the parties with respect to such subject matter.

#### **Amendment**

This Agreement may be amended only by a written instrument signed by both parties.

#### Severability

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect. The invalid or unenforceable provision shall be replaced by a valid and enforceable provision that comes closest to expressing the intention of the original provision.

#### **Notices**

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered personally, sent by certified or registered mail, return receipt requested, or sent by reputable overnight courier service, to the addresses set forth at the beginning of this Agreement or to such other address as either party may designate in writing from time to time.



