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Introduction and Purpose

This Tag-Along Agreement (the "Agreement") is made and entered into as of August 9, 2025, by and between Docupal Demo, LLC, a company based in the United States with its principal address at 23 Main St, Anytown, CA 90210 ("Company") and ACME-1, a business incorporated in the United States, with its principal address at 3751 Illinois Avenue, Wilsonville, Oregon - 97070 ("ACME-1").

The purpose of this Agreement is to establish the terms and conditions under which certain minority shareholders of ACME-1 can participate in a sale of shares by the majority shareholders. This ensures that minority shareholders receive the same opportunities and treatment as majority shareholders in significant share transfer events.

Rationale for Tag-Along Rights

Tag-along rights protect minority shareholders by allowing them to sell their shares when a majority shareholder sells their stake. This prevents controlling shareholders from selling their shares without offering minority shareholders the chance to exit the company on similar terms. It is particularly relevant when a company is being sold or a majority shareholder is transferring a substantial portion of their ownership. The agreement ensures fair treatment, providing minority shareholders with the option to participate in the sale, thus maintaining their equity position and investment value.

Definitions and Key Terms

For the purposes of this Tag-Along Agreement, the following terms shall have the meanings set forth below:

Defined Terms

- **Shares:** Refers to the common stock of ACME-1, and any securities into which such stock may be converted or exchanged.



- **Transfer:** Means any sale, assignment, transfer, conveyance, hypothecation, or other disposition of Shares, whether directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise.
- **Tag-Along Right:** Means the right of a Tagging Shareholder to participate in a Transfer of Shares by a Selling Shareholder on the same terms and conditions as the Selling Shareholder.
- **Selling Shareholder:** Means any shareholder of ACME-1 proposing to Transfer Shares to a third party.
- **Offered Shares:** Means the Shares proposed to be Transferred by the Selling Shareholder.

Interpretation

Industry-standard definitions will apply where appropriate to ensure consistent interpretation of this agreement.

Tag-Along Rights and Conditions

ACME-1's minority shareholders have specific tag-along rights under this agreement. These rights allow them to participate in a sale of shares if a majority shareholder plans to transfer their shares to a third party. This ensures that minority shareholders can sell their shares on the same terms as the majority shareholder.

Triggering Conditions

The tag-along rights are triggered when a majority shareholder proposes to transfer their shares. This applies to any transfer to an external third party. However, some transfers are exempt from these tag-along rights. These exemptions typically include transfers to family members or affiliated entities. The specifics of these exemptions are detailed later in this agreement.



Exercise of Rights

When a majority shareholder intends to transfer shares, they must first provide a written notice to the minority shareholders, as specified in Section [insert section number for transfer notice]. This notice will include all relevant details of the proposed transfer, including the number of shares, the proposed price, and the identity of the potential buyer.

Minority shareholders then have a defined period to decide whether to exercise their tag-along rights. If they choose to participate, they must notify the majority shareholder within the specified timeframe outlined in Section [insert section number for response timelines]. By electing to participate, minority shareholders agree to sell the same proportion of their shares as the majority shareholder is selling.

Limitations and Exclusions

While the tag-along rights provide significant protection, certain limitations and exclusions apply. Transfers to family members or affiliated companies are typically excluded. Additionally, the agreement may specify percentage thresholds that must be met before tag-along rights are triggered. These thresholds are determined based on negotiations to balance the interests of all parties involved.

The exact percentage thresholds and any other specific conditions are detailed in Schedule A of this agreement. It is important for all shareholders to review these details carefully to understand their rights and obligations.

Notice and Procedure for Share Transfer

Before any transfer of shares, the selling shareholder must provide written notice to Acme, Inc. This notice must contain specific information about the proposed transfer.

Transfer Notice Details

The transfer notice must include:

- The number of shares being transferred.
- The price per share.



- The identity of the proposed transferee.
- All terms and conditions of the proposed transfer.

Minority Shareholder Response

Acme, Inc. shareholders have 30 days from the date of the transfer notice to respond. They then have 60 days to elect to participate in the proposed transfer.

Sale Coordination

Selling shareholders are responsible for coordinating the sale process. This includes managing communications with the transferee.

Purchase Mechanics and Pricing

This section outlines the mechanics for ACME-1's minority shareholders to participate in a sale of shares alongside majority shareholders, ensuring they receive equivalent terms.

Tag-Along Purchase

Minority shareholders electing to exercise their tag-along rights will sell their shares to the proposed buyer on the same terms and conditions as the majority shareholders. This includes the price per share, form of consideration, and closing date. Each selling shareholder will sell a pro rata portion of their shares based on their shareholding.

Price Determination and Allocation

The sale price will be determined by the agreement between the majority shareholders and the buyer. The total consideration will be allocated among all selling shareholders (including those exercising tag-along rights) pro rata based on their respective shareholdings.



Price Adjustments

The agreement includes provisions for potential price adjustments. These adjustments may arise from a post-closing audit or appraisal process, as defined in the definitive agreement governing the sale.

Payment Terms

Payment for shares transferred under this agreement will be made in cash at the closing of the sale. All selling shareholders will receive their allocated portion of the sale proceeds at that time.

Exceptions and Limitations

Exempt Transfers

The tag-along rights outlined in this Agreement do not apply to certain transfers of shares. These exceptions are designed to allow flexibility in ownership changes under specific circumstances.

Specifically, the following transfers are exempt from these tag-along rights:

- **Transfers to Family Members:** Transfers of shares by a Selling Shareholder to any member of their immediate family or to a trust established for the benefit of such family members are exempt.
- **Transfers to Affiliates:** Transfers to any Affiliate of a Selling Shareholder are also exempt from tag-along rights.
- **Mergers and Acquisitions:** Transfers of shares in connection with a merger, consolidation, or sale of all or substantially all of the assets of ACME-1 are exempt. This exception ensures the company can pursue strategic transactions without undue restrictions.
- **Public Offerings:** Transfers pursuant to a registered public offering of ACME-1's shares are exempt.
- **Other Exempt Transfers:** Any other transfers specifically approved in writing by the Board of Directors of ACME-1.

These exceptions are intended to protect the operational flexibility of ACME-1 while still safeguarding the tag-along rights of the Participating Shareholders in most sale scenarios.



Remedies and Enforcement

Remedies for Breach

If any party breaches this Agreement, the non-breaching party may pursue all available legal and equitable remedies. These remedies are cumulative and are in addition to any other rights or remedies provided by law.

Available Actions

Specifically, if ACME-1's tag-along rights are violated, ACME-1 may seek:

- **Injunctive Relief:** ACME-1 can ask a court to prevent the breaching party from continuing the violation. This may include preventing a sale of shares that does not comply with the terms of this Agreement.
- **Damages:** ACME-1 can seek monetary compensation for any losses or damages suffered as a result of the breach. The amount of damages will be determined by the court based on the specific circumstances of the breach and the resulting harm to ACME-1.

Dispute Resolution

The parties agree to resolve any disputes arising out of or relating to this Agreement through the following procedures:

1. **Negotiation:** The parties will first attempt to resolve the dispute through good-faith negotiation.
2. **Mediation:** If negotiation fails, the parties will submit the dispute to mediation with a mutually agreed-upon mediator.
3. **Arbitration:** If mediation is unsuccessful, the dispute will be resolved by binding arbitration in accordance with the rules of the American Arbitration Association. The decision of the arbitrator will be final and binding on both parties.



Governing Law and Dispute Resolution

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. This means that Delaware law will be used to interpret the agreement and resolve any legal issues that may arise.

Dispute Resolution

Any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination, or validity thereof, shall be settled by arbitration administered by a recognized arbitration organization. The arbitration will take place in a location agreed upon by the parties, or if no agreement is reached, in a location determined by the arbitration organization. The decision of the arbitrator shall be final and binding on all parties involved. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Miscellaneous Provisions

Amendments

This Agreement may be amended or modified only by a written instrument signed by all of the parties.

Entire Agreement

This Agreement constitutes the entire agreement between the parties. It supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof.

Severability

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



comes closest to expressing the intention of the original provision.

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.

Notices

All notices and other communications under this Agreement must be in writing. Notices will be considered duly given when delivered by certified mail, return receipt requested, or by email, to the addresses set forth below (or to such other address as a party may designate by notice to the other parties):

If to Docupal Demo, LLC:

23 Main St, Anytown, CA 90210 Email: [Insert Email Address]

If to ACME-1:

3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA Email: [Insert Email Address]

