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Grant of Stock Option

DocuPal Demo, LLC, a United States company located at 23 Main St, Anytown, CA 90210, grants to the Employee an option to purchase up to 10,000 shares of the Company's common stock. This option is not a present grant of stock, but rather the right to purchase shares in the future, subject to the terms and conditions outlined in this Agreement.

Option Details

The option granted is a non-qualified stock option (NQSO). The exercise price per share will be equal to the fair market value of the Company's common stock on the Grant Date. The official Grant Date for this stock option is January 1, 2024. The exercise price will be determined by the Company in good faith.

Vesting Schedule and Conditions

The Option will vest according to the following schedule, contingent upon the Optionee's Continuous Service with Docupal Demo, LLC. The vesting commencement date is January 1, 2024.

Time-Based Vesting

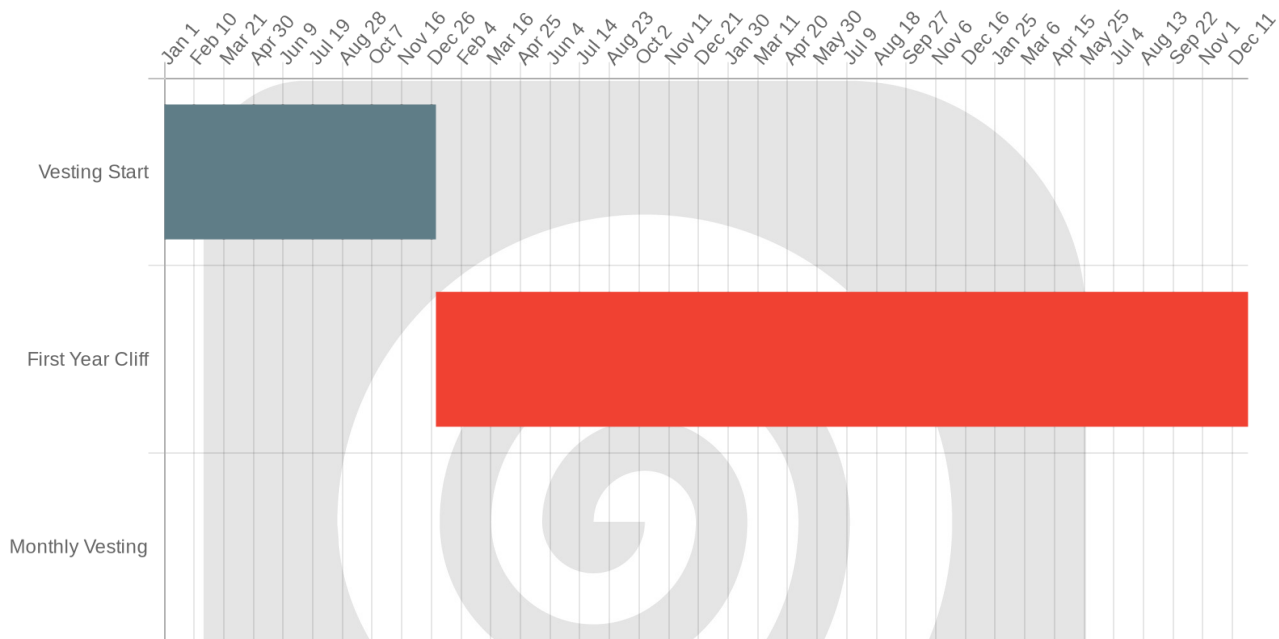
The Option vests over a four-year period, with 25% of the shares vesting on the first anniversary of the vesting commencement date. The remaining 75% of the shares will vest in equal monthly installments over the subsequent 36 months. This means that after the first year of Continuous Service, 1/36th of the remaining Option shares will vest each month.

For example, if the Option is for 4,000 shares, 1,000 shares will vest on January 1, 2025, provided the Optionee remains in Continuous Service through that date. Thereafter, approximately 83 shares (1/36th of the remaining 3,000 shares) will vest each month, assuming Continuous Service is maintained.



Change of Control Acceleration

In the event of a Change of Control of Docupal Demo, LLC, any unvested portion of this Option shall become fully vested and immediately exercisable. A Change of Control is defined as a merger, consolidation, or sale of substantially all of the assets of Docupal Demo, LLC to an unrelated third party. This acceleration provision is intended to protect the Optionee's interests in the event of a significant corporate event.



Exercise of Options

Notification of Exercise

To exercise vested options, the option holder must provide written notice to the Company's Stock Administrator. This notice should clearly state the intention to exercise the option, the number of shares to be purchased (in increments of 100 shares), and the chosen method of payment.

Methods of Payment

The option exercise price may be paid via one of the following methods:

- Cash
- Check
- Cashless exercise, subject to Company approval

Partial Exercise

Vested options may be exercised in part. However, each partial exercise must be in increments of 100 shares. The option holder will continue to hold the remaining unexercised vested options, subject to the terms of this Agreement.

Termination and Expiration

The Option shall terminate and may no longer be exercised upon the first to occur of the following events:

- Expiration of the Option Term as defined in this Agreement.
- Termination of the Optionee's employment or service with DocuPal Demo, LLC, subject to the provisions below.

Effect of Termination

Termination for Reasons Other Than Cause: If the Optionee's employment or service terminates for any reason other than Cause, the Optionee may exercise the vested portion of the Option within 90 days of such termination date. After this 90-day period, the Option will expire, and all rights to purchase shares will be forfeited.

Termination for Cause: If the Optionee's employment or service is terminated for Cause, the Option (whether vested or unvested) shall be immediately forfeited and terminated. "Cause" shall have the meaning as defined in any applicable employment agreement or, if no such agreement exists, as reasonably determined by the Board of Directors of DocuPal Demo, LLC.

Unvested Options: Upon termination of employment or service for any reason, any unvested portion of the Option will be immediately forfeited.



Tax Implications and Reporting

The grant and subsequent exercise of stock options can have significant tax implications for both you and Docupal Demo, LLC. It is crucial to understand these potential tax consequences.

Employee Tax Implications

You may be subject to income tax when you exercise your stock options. The difference between the fair market value of the shares on the date of exercise and the exercise price you pay is generally considered taxable income. This income is typically taxed as ordinary income. Subsequent sale of shares acquired through option exercise may trigger capital gains taxes. The applicable tax rate will depend on how long you hold the shares before selling them.

Company Tax Implications

Docupal Demo, LLC may be required to report the option grants and exercises to the relevant tax authorities. The company may also be entitled to a tax deduction in the year you exercise your options. The amount of the deduction is generally equal to the taxable income you recognize.

Recommended Consultation

We highly recommend you consult with a qualified tax advisor to fully understand the tax consequences of this Agreement and your stock options. Docupal Demo, LLC cannot provide you with tax advice. You are solely responsible for understanding and complying with all applicable tax laws and regulations.

Restrictions and Blackout Periods

The options granted under this Agreement are non-transferable. An Optionee may not sell, assign, transfer, pledge, or otherwise dispose of the options, whether voluntarily or involuntarily.



Blackout Periods

The Optionee acknowledges that exercising options and selling shares acquired upon exercise may be subject to standard blackout periods. These blackout periods are determined by Docupal Demo, LLC. Option holders will be notified of these periods.

Regulatory Compliance

All option exercises and subsequent sales of shares must comply with applicable federal and state securities laws. The Optionee is responsible for ensuring such compliance. It is highly recommended that the Optionee seek independent legal counsel to ensure compliance.

Rights as a Shareholder

The Optionee will become a shareholder of DocuPal Demo, LLC only upon the Optionee's due exercise of this Option, and the subsequent issuance of shares. Until such time, the Optionee will not be entitled to any rights as a shareholder.

No Rights as a Shareholder Until Exercise

The grant of this Option does not grant the Optionee any voting rights or rights to dividends. These rights are only acquired when the Option is exercised and shares are issued to the Optionee.

Shareholder Agreement

Upon becoming a shareholder, the Optionee will be subject to the terms and conditions of the Company's then-current Shareholders Agreement. This agreement contains standard restrictions on actions that shareholders may take. The Optionee is encouraged to review this agreement carefully upon exercising the Option.



Confidentiality and Non-Disclosure

The Optionee acknowledges that during their employment with DocuPal Demo, LLC, they will have access to confidential and proprietary information. This information includes, but is not limited to, business plans, customer data, financial information, and technological developments.

Obligation of Confidentiality

The Optionee agrees to hold all non-public information about DocuPal Demo, LLC in strict confidence. They will not disclose this information to any third party without the express written consent of the Company. This obligation extends both during and after the Optionee's employment.

Exceptions

The obligation of confidentiality does not apply to information that is generally known to the public.

Confidentiality of this Agreement

The Optionee agrees to keep the terms of this Agreement confidential. They will not disclose the details of this Agreement to any third party, except to their legal or financial advisors, or as required by law.

Breach

The Optionee understands that any breach of this confidentiality obligation may result in legal action by DocuPal Demo, LLC. It may also lead to immediate termination of employment.

Dispute Resolution

Any dispute, controversy, or claim arising out of or relating to this Agreement will be resolved through binding arbitration. This includes, but is not limited to, disputes regarding the interpretation, performance, or breach of this Agreement.



Arbitration Process

The arbitration will be administered by a recognized arbitration organization, such as the American Arbitration Association (AAA), and will be conducted in accordance with its rules and procedures. The arbitration will take place in Delaware, unless otherwise agreed by the parties.

Governing Law and Time Limitations

Delaware law governs this arbitration provision. Any claim must be initiated within the time period allowed by the applicable statute of limitations.

Miscellaneous Provisions

This Agreement contains standard legal terms to ensure clarity and enforceability.

Amendments

This Agreement may be amended only by a written instrument signed by both you and Docupal Demo, LLC.

Entire Agreement

This Agreement constitutes the entire agreement between you and Docupal Demo, LLC concerning the subject matter herein. It supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written, between you and Docupal Demo, LLC with respect to the Option.

Severability

If any provision of this Agreement is held to be unenforceable, the remaining provisions will remain in full force and effect.

Notices

All notices relating to this Agreement must be in writing and will be deemed given when:



- Delivered personally.
- Sent by email.
- Sent by certified mail, return receipt requested, to the addresses of the parties as specified in Docupal Demo, LLC records (for Docupal Demo, LLC notices to you) and Docupal Demo, LLC's registered address (for your notices to Docupal Demo, LLC).

Docupal Demo, LLC's address is 23 Main St, Anytown, CA 90210.

Signatures and Execution

This Employee Stock Option Agreement is effective as of January 1, 2024. By signing below, both parties acknowledge they have read, understood, and agree to all terms and conditions outlined in this agreement.

Signatures

DocuPal Demo, LLC

By: _____

Name: _____

Title: CEO

Date: _____

Employee

Name: _____

Date: _____

