

AUDIT ERROR INDEMNITY LETTER

AGREEMENT TEMPLATE FOR ACCOUNTING ERROR INDEMNIFICATION

Date: _____

To:

RE: INDEMNIFICATION AGREEMENT FOR AUDIT AND ACCOUNTING ERRORS

This Indemnity Agreement (the "Agreement") is entered into as of the date first written above, by and between _____ ("Indemnitor"), and _____ ("Indemnitee").

WHEREAS, Indemnitor has performed certain accounting, bookkeeping, and/or auditing services for Indemnitee for the period covering _____ to _____; and

WHEREAS, both parties recognize the possibility of accounting, reporting, or auditing errors occurring during the scope of these services; and

WHEREAS, Indemnitor agrees to indemnify and hold harmless Indemnitee from certain financial liabilities arising directly from any material errors, omissions, or misstatements made by Indemnitor during the performance of said audit.

NOW, THEREFORE in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. Indemnification:** Indemnitor agrees to indemnify, defend, and hold harmless Indemnitee, its officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, penalties, fines, and expenses (including reasonable attorneys' fees) arising directly out of any clerical, mathematical, or professional errors or omissions in the final audit report dated _____, prepared by Indemnitor.
- 2. Limitation of Liability:** The total aggregate liability of Indemnitor under this Agreement for any and all claims shall not exceed _____. Under no circumstances shall Indemnitor be liable for any indirect, consequential, or punitive damages.
- 3. Notice of Claim:** Indemnitee shall provide prompt written notice to Indemnitor of any claim, audit adjustment, or penalty assessed by tax authorities or other regulatory bodies that may give rise to a claim for indemnification under this Agreement. Such notice must be delivered within _____ days of Indemnitee becoming aware of the error or claim.
- 4. Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to its conflict of law principles.
- 5. Entire Agreement:** This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes all prior discussions, agreements, or understandings of any kind.

IN WITNESS WHEREOF, the parties hereto have executed this Audit Error Indemnity Agreement as of the date first written above.

INDEMNITOR:

INDEMNITEE:

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____