

INDIRECT TAX INDEMNITY AGREEMENT

This Indirect Tax Indemnity Agreement (the "Agreement") is entered into as of _____, by and between:

Indemnitor: _____, a corporation organized and existing under the laws of _____, with its principal place of business at _____ (hereinafter referred to as the "Indemnitor");

and

Indemnitee: _____, a corporation organized and existing under the laws of _____, with its principal place of business at _____ (hereinafter referred to as the "Indemnitee").

Indemnitor and Indemnitee may collectively be referred to as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, the Parties have entered into that certain _____ Agreement dated _____ (the "Underlying Agreement"); and

WHEREAS, in connection with the transactions contemplated under the Underlying Agreement, certain indirect tax liabilities, including but not limited to value-added tax (VAT), goods and services tax (GST), sales and use tax, excise tax, consumption tax, or other similar taxes, duties, and levies, may arise; and

WHEREAS, the Indemnitor has agreed to indemnify and hold harmless the Indemnitee from and against certain Indirect Tax liabilities as set forth herein.

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:

SECTION 1: DEFINITIONS

1. **"Indirect Taxes"** means any value-added tax (VAT), goods and services tax (GST), sales tax, use tax, consumption tax, service tax, transfer tax, excise tax, customs duties, or any other similar tax, fee, assessment, or charge imposed by any governmental or taxing authority, together with any interest, penalties, additions to tax, or additional amounts imposed with respect thereto.
2. **"Tax Claim"** means any assessment, audit, demand, litigation, proposed adjustment, or other administrative or judicial proceeding by any taxing authority concerning Indirect Taxes that could give rise to an indemnification payment under this Agreement.

SECTION 2: INDEMNIFICATION OBLIGATIONS

1. **Indemnity:** The Indemnitor hereby agrees to indemnify, defend, and hold harmless the Indemnitee, its affiliates, officers, directors, employees, and agents from and against any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees and professional consultation fees) arising out of, resulting from, or in connection with:
 - a. Any failure by the Indemnitor to timely and properly pay, report, or remit any Indirect Taxes for which the Indemnitor is responsible under applicable law or the Underlying Agreement;
 - b. Any Indirect Taxes, including associated interest and penalties, assessed against the Indemnitee by any taxing authority resulting from the transactions contemplated under the Underlying Agreement, to the extent such taxes are the legal obligation of the Indemnitor; and
 - c. Any breach of any representation, warranty, or covenant made by the Indemnitor in relation to taxes under this Agreement or the Underlying Agreement.
2. **Limitations:** The indemnification obligations under this Section 2 shall not apply to the extent that any Indirect Tax liability is directly

attributable to the gross negligence, willful misconduct, or material breach of this Agreement by the Indemnitee.

SECTION 3: PROCEDURES FOR TAX CLAIMS

1. **Notice:** The Indemnitee shall promptly notify the Indemnitor in writing of any Tax Claim for which it intends to seek indemnification under this Agreement. Failure to provide prompt notice shall not relieve the Indemnitor of its obligations, except to the extent the Indemnitor is materially prejudiced by such delay.
2. **Defense of Claim:** The Indemnitor shall have the right, at its own expense, to participate in or assume the defense of any Tax Claim with counsel of its choice, provided that the Indemnitor diligently pursues such defense. If the Indemnitor assumes the defense, the Indemnitee shall have the right to participate in the defense at its own cost.
3. **Settlement:** The Indemnitor shall not settle or compromise any Tax Claim without the prior written consent of the Indemnitee (which consent shall not be unreasonably withheld, conditioned, or delayed) if such settlement would impose any material non-monetary obligation or unindemnified financial liability upon the Indemnitee.
4. **Cooperation:** The Parties shall cooperate fully with each other in connection with the defense of any Tax Claim, including providing access to relevant records, documents, and personnel.

SECTION 4: PAYMENT TERMS

1. All payments required to be made by the Indemnitor under this Agreement shall be made in immediately available funds to the bank account designated by the Indemnitee within _____ business days of receiving written demand accompanied by reasonable supporting documentation of the liability.
2. **Gross-Up:** All payments made by the Indemnitor under this Agreement shall be made free and clear of, and without reduction for, any withholding taxes, unless required by law. If any such withholding is required, the Indemnitor shall pay such additional amounts as necessary to ensure the Indemnitee receives the full amount it would have received absent such withholding.

SECTION 5: TERM AND TERMINATION

This Agreement shall remain in full force and effect until the expiration of the applicable statute of limitations for the assessment of the relevant Indirect Taxes, plus a period of _____ days thereafter.

SECTION 6: GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of _____, without giving effect to any principles of conflicts of law. Any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts located in _____.

SECTION 7: MISCELLANEOUS

1. **Entire Agreement:** This Agreement constitutes the entire understanding between the Parties concerning the subject matter hereof and supersedes all prior agreements, discussions, or representations.
2. **Amendments:** This Agreement may be amended, modified, or supplemented only by a written instrument signed by authorized representatives of both Parties.
3. **Counterparts:** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this Indirect Tax Indemnity Agreement as of the date first written above.

INDEMNITOR:

INDEMNITEE:

Entity Name

Entity Name

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____