

CROSS BORDER TAX INDEMNITY AGREEMENT

This Cross Border Tax Indemnity Agreement (the "Agreement") is entered into as of this _____ day of _____, 20____ (the "Effective Date"), by and between:

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

and

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

RECITALS

WHEREAS, the Indemnifier and the Indemnitee have entered into that certain _____ Agreement dated as of _____ (the "Underlying Agreement"); and

WHEREAS, the transactions contemplated under the Underlying Agreement cross international borders and may subject the parties to taxation in multiple jurisdictions, including but not limited to _____ and _____; and

WHEREAS, to allocate the risk of certain potential tax liabilities arising from or related to such cross-border transactions, the Indemnifier has agreed to indemnify and hold harmless the Indemnitee from and against certain taxes, levies, imposts, duties, or other assessments 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:

1. DEFINITIONS

1. **"Tax" or "Taxes"** means any and all foreign, federal, state, local, municipal, or other governmental taxes, duties, levies, imposts, withholding obligations, customs, or assessments of any kind whatsoever, including any interest, additions to tax, penalties, or fines associated therewith, imposed by any Taxing Authority.
2. **"Taxing Authority"** means any government, state, municipality, or political subdivision thereof, or any agency, court, tribunal, or other body entitled to impose, collect, or administer any Tax in any jurisdiction.
3. **"Indemnified Tax Liability"** means any Tax liability, including withholding tax liability, arising in connection with the payments made or transactions executed pursuant to the Underlying Agreement, specifically including _____.

2. TAX INDEMNIFICATION

1. The Indemnifier hereby covenants and agrees to indemnify, defend, and hold harmless the Indemnitee, its affiliates, directors, officers, employees, and agents from and against any and all Indemnified Tax Liabilities imposed upon, incurred by, or assessed against the Indemnitee by any Taxing Authority of _____ or any other jurisdiction.
2. **Gross-Up Option:** If any payment made by the Indemnifier under this Agreement or the Underlying Agreement is subject to deduction or withholding for or on account of any Tax, the Indemnifier shall pay such additional amount as necessary to ensure that the Indemnitee receives a net amount equal to the full amount that would have been received had no such deduction or withholding been required.

3. CLAIMS PROCEDURE

1. If the Indemnatee receives notice of any pending or threatened tax audit, assessment, or claim by a Taxing Authority that could give rise to a claim for indemnification under this Agreement, the Indemnatee shall promptly notify the Indemnifier in writing within _____ days of receipt of such notice.
2. The Indemnifier shall have the right, at its own expense, to participate in or assume the defense of any such tax audit or proceeding, provided that the Indemnifier acknowledges its unconditional obligation to indemnify the Indemnatee under this Agreement in respect of such claim.
3. The Indemnatee shall not settle or compromise any claim subject to indemnification hereunder without the prior written consent of the Indemnifier, which consent shall not be unreasonably withheld, conditioned, or delayed.

4. COOPERATION AND INFORMATION SHARING

The parties agree to cooperate fully with each other in connection with the preparation and filing of any tax returns, tax audits, or other proceedings relating to Taxes covered by this Agreement. Such cooperation shall include, without limitation, the provision of relevant records, power of attorney, and explanations of material relevant to the defense or resolution of any tax claim.

5. GOVERNING LAW AND DISPUTE RESOLUTION

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 dispute, controversy, or claim arising out of or relating to this Agreement shall be finally settled under the rules of the _____ by one or more arbitrators appointed in accordance with the said rules. The place of arbitration shall be _____, and the proceedings shall be conducted in the English language.

6. TERM AND TERMINATION

This Agreement shall survive the termination or expiration of the Underlying Agreement and shall remain in full force and effect until the expiration of the applicable statute of limitations for the assessment of any Taxes to which this Agreement relates.

7. MISCELLANEOUS

This Agreement constitutes the entire agreement between the parties regarding cross-border tax indemnification and supersedes all prior agreements, understandings, or representations. No amendment or modification of this Agreement shall be valid unless in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Cross Border Tax Indemnity Agreement as of the Effective Date first written above.

INDEMNIFIER:

By: _____

Title: _____

Date: _____

INDEMNITEE:

By: _____

Title: _____

Date: _____