

# FINANCIAL AUDITOR MALPRACTICE INDEMNIFICATION CONTRACT

This Financial Auditor Malpractice Indemnification Contract (the "Agreement") is entered into and made effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between:

**Indemnifier:** \_\_\_\_\_, with a principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Indemnifier"),

and

**Indemnitee:** \_\_\_\_\_, with a principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Indemnitee").

## RECITALS

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WHEREAS, the Indemnitee is a professional financial auditor engaged to perform professional auditing and accounting services for the Indemnifier pursuant to an engagement agreement dated \_\_\_\_\_;

WHEREAS, the parties recognize that the performance of financial audits involves inherent risks of third-party claims, regulatory scrutiny, and potential allegations of professional malpractice, negligence, or error; and

WHEREAS, to induce the Indemnitee to perform the services, the Indemnifier agrees to indemnify and hold harmless the Indemnitee under the terms and conditions set forth herein.

## 1. INDEMNIFICATION

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Subject to the limitations set forth in Section 2, the Indemnifier agrees to defend, indemnify, and hold harmless the Indemnitee, its partners, officers, directors, employees, and agents from and against any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees and court costs) arising out of or in connection with any third-party claims, lawsuits, or administrative proceedings alleging professional malpractice, negligence, errors, or omissions in connection with the financial auditing services rendered by the Indemnitee.

## 2. LIMITATIONS AND EXCLUSIONS

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Notwithstanding the provisions of Section 1, the Indemnifier shall not be obligated to indemnify the Indemnitee for any liability, loss, damage, or expense that is judicially determined to have resulted directly from:

- a. The Indemnitee's willful misconduct, intentional fraud, or criminal acts;
- b. Gross negligence on the part of the Indemnitee;
- c. Breach of professional confidentiality, except as required by law or professional standards.

## 3. NOTIFICATION OF CLAIMS

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The Indemnitee shall promptly notify the Indemnifier in writing of any claim, threat of claim, or commencement of any action for which indemnification may be sought under this Agreement. Failure to provide prompt notice shall not relieve the Indemnifier of its obligations except to the extent that the Indemnifier is materially prejudiced by such failure.

## 4. CONTROL OF DEFENSE

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The Indemnifier shall have the right, at its own expense, to assume the defense of any such claim or litigation with counsel reasonably acceptable to the Indemnitee. The Indemnitee shall cooperate fully in the defense of any such claim and shall have the right to participate in the defense at its own expense with counsel of its choosing.

**5. TERM AND SURVIVAL**

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This Agreement shall cover all auditing services performed by the Indemnitee for the Indemnifier and shall survive the termination of the engagement agreement, the completion of the audit, and the termination of any relationship between the parties indefinitely.

**6. GOVERNING LAW AND JURISDICTION**

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This Agreement shall be construed, interpreted, and governed by the laws of the State of \_\_\_\_\_, without giving effect to conflict of laws principles. Any legal action arising out of this Agreement shall be brought exclusively in the courts located in \_\_\_\_\_.

**7. ENTIRE AGREEMENT**

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This Agreement constitutes the entire understanding between the parties regarding indemnification for professional malpractice and supersedes all prior discussions, negotiations, or agreements, whether written or oral.

IN WITNESS WHEREOF, the parties hereto have executed this Financial Auditor Malpractice Indemnification Contract as of the date first written above.

**INDEMNIFIER:**

**INDEMNITEE:**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_