

# FINANCIAL STATEMENT ERROR INDEMNIFICATION AGREEMENT

This Financial Statement Error Indemnification Agreement (the "Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between:

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

AND

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

## RECITALS

WHEREAS, the Indemnitor has prepared, assisted in preparing, or provided financial data for the financial statements of \_\_\_\_\_ for the period ending \_\_\_\_\_ (the "Financial Statements"); and

WHEREAS, the Indemnitee relies upon the accuracy and completeness of the Financial Statements for transactions, operations, regulatory compliance, or other business purposes; and

WHEREAS, to induce the Indemnitee to rely on said Financial Statements, the Indemnitor has agreed to indemnify and hold harmless the Indemnitee from any liabilities, losses, damages, or expenses arising from any accounting errors, omissions, misstatements, or discrepancies in the Financial Statements.

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 Obligation.** The Indemnitor hereby agrees to defend, indemnify, and hold harmless the Indemnitee, its affiliates, officers, directors, employees, agents, and successors from and against any and all claims, liabilities, losses, damages, deficiencies, judgments, assessments, fines, penalties, costs, and expenses (including, without limitation, reasonable attorneys' fees, forensic accounting fees, and court costs) arising out of, resulting from, or relating to any error, omission, inaccuracy, misstatement, or non-compliance with applicable accounting standards (including GAAP or IFRS) in the Financial Statements.
- 2. Notice of Claim.** The Indemnitee shall promptly notify the Indemnitor in writing of any claim, action, proceeding, or discovery of error that may give rise to a claim for 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.
- 3. Defense and Settlement.** The Indemnitor shall have the right to assume the defense of any third-party claim or litigation, provided that the Indemnitee shall have the right to participate in such defense with counsel of its own choosing at the Indemnitee's expense. The Indemnitor shall not settle or compromise any claim without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld, conditioned, or delayed.
- 4. Limitation of Liability.** The maximum aggregate liability of the Indemnitor under this Agreement shall be capped at \$ \_\_\_\_\_. The provisions of this Section shall survive the termination of this Agreement.
- 5. Term and Survival.** This Agreement shall remain in full force and effect from the Effective Date and shall survive for a period of \_\_\_\_\_ years following the date of this Agreement, or until the expiration of the applicable statute of limitations for any claims arising from the Financial Statements, whichever is longer.
- 6. Governing Law and Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of the State 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 \_\_\_\_\_.
- 7. Entire Agreement.** This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes all prior agreements, representations, or understandings, whether oral or written. No amendment or modification to this Agreement shall be valid unless in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Financial Statement Error Indemnification Agreement as of the

Effective Date written above.

**INDEMNITOR:**

**INDEMNITEE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

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

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

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

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

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

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