

INDIRECT TAX INDEMNIFICATION AGREEMENT

This Indirect Tax Indemnification Agreement (this "Agreement") is entered into as of _____, 20____, by and between:

Indemnifying Party: _____, a company incorporated under the laws of _____, with its principal place of business at _____ (hereinafter referred to as the "Indemnifier");

and

Indemnified Party: _____, a company incorporated under the laws of _____, with its principal place of business at _____ (hereinafter referred to as the "Indemnitee").

The Indemnifier and the 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 _____, 20____ (the "Underlying Agreement"); and

WHEREAS, in connection with the transactions contemplated under the Underlying Agreement, certain Indirect Taxes (as defined below) may be levied, assessed, or collected by relevant tax authorities; and

WHEREAS, the Parties wish to define their respective rights and obligations concerning the indemnification of such Indirect Taxes.

NOW, THEREFORE, the Parties agree as follows:

1. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

- "Indirect Taxes"** shall mean any value-added tax (VAT), goods and services tax (GST), sales tax, use tax, consumption tax, service tax, excise duty, customs duty, or any other similar transaction-based tax, duty, levy, or imposition assessed by any governmental or tax authority, including any interest, additions to tax, penalties, or fines associated therewith.
- "Taxing Authority"** shall mean any national, federal, state, local, provincial, or foreign government, or any subdivision, agency, commission, or authority thereof competent to impose, assess, or collect Indirect Taxes.

2. TAX ALLOCATION AND INDEMNIFICATION

- Responsibility for Indirect Taxes:** All prices and fees specified in the Underlying Agreement are exclusive of Indirect Taxes, unless expressly stated otherwise in writing. If any Indirect Taxes are legally payable on the transactions contemplated under the Underlying Agreement, such Indirect Taxes shall be borne by the _____.
- Indemnification Obligation:** The Indemnifier 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 consulting fees) arising out of or resulting from:
 - Any failure by the Indemnifier to timely pay or remit any Indirect Taxes for which it is responsible under applicable law or this Agreement;
 - Any assessment, reassessment, or audit claim by any Taxing Authority for Indirect Taxes resulting from the goods or services provided under the Underlying Agreement; and
 - Any failure by the Indemnifier to comply with applicable tax registration, filing, reporting, or documentation obligations.

3. CLAIMS AND PROCEDURES

1. **Notice of Claim:** If the Indemnitee receives any notice, assessment, letter, or other communication from a Taxing Authority regarding an inquiry, audit, or claim for Indirect Taxes that may give rise to an indemnification claim under this Agreement, the Indemnitee shall notify the Indemnifier in writing within _____ business days of receipt of such notice.
2. **Control of Defense:** The Indemnifier shall have the right, at its own expense, to control the defense, negotiation, or settlement of any tax claim or audit, provided that the Indemnifier acts diligently and in good faith. The Indemnitee shall cooperate fully, at the Indemnifier's expense, in the defense of such claim. The Indemnifier shall not settle any claim without the prior written consent of the Indemnitee if such settlement would materially prejudice the Indemnitee's ongoing tax position or business operations.
3. **Payment of Indemnity:** Any payment required to be made by the Indemnifier to the Indemnitee under this Agreement shall be made within _____ days of a written demand by the Indemnitee, accompanied by reasonable supporting documentation of the tax liability or expense incurred.

4. MISCELLANEOUS

1. **Governing Law:** This Agreement shall be governed by, construed, and enforced in accordance with the laws of _____, without regard to its conflict of law principles.
2. **Term and Survival:** This Agreement shall survive the expiration or termination 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 the relevant Indirect Taxes.
3. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.

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

INDEMNIFIER:

INDEMNITEE:

(Company Name)

(Company Name)

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____