

INDEMNIFICATION AGREEMENT

1. 1. Parties

This Indemnification Agreement (the "Agreement") is made effective as of [EFFECTIVE DATE] between [INDEMNITOR NAME], a [ENTITY TYPE] with its principal place of business at [INDEMNITOR ADDRESS] (the "Indemnitor"), and [INDEMNITEE NAME], a [ENTITY TYPE OR INDIVIDUAL] located at [INDEMNITEE ADDRESS] (the "Indemnitee"). The Indemnitor and the Indemnitee are referred to individually as a "Party" and together as the "Parties." This Agreement is entered into in connection with [UNDERLYING RELATIONSHIP, e.g., the Master Services Agreement dated CONTRACT DATE, or the service of the Indemnitee as a director or officer of the Indemnitor]. Each Party represents that the person signing below has authority to bind it. Notices under this Agreement must be in writing and are effective on delivery to the addresses above and to [INDEMNITOR NOTICE EMAIL] and [INDEMNITEE NOTICE EMAIL].

2. 2. Covered Claims

Subject to the exclusions in Section 11, "Covered Claims" means any threatened, pending, or completed claim, demand, action, suit, arbitration, investigation, or administrative proceeding brought by a third party against the Indemnitee that arises out of or relates to: (a) the acts or omissions of the Indemnitor or its personnel in connection with the Underlying Relationship; (b) any allegation that products, services, materials, data, or intellectual property supplied by the Indemnitor infringe or misappropriate the rights of a third party; (c) the breach by the Indemnitor of any representation, warranty, covenant, or obligation in the Underlying Relationship; (d) bodily injury, death, or damage to tangible property caused by the Indemnitor; or (e) where the Indemnitee serves as a director, officer, manager, employee, or agent of the Indemnitor, any claim arising by reason of that status or of anything done or not done in that capacity. A claim is covered whether it is framed in contract, tort, statute, or equity.

3. 3. Covered Losses

"Covered Losses" means all losses, damages, liabilities, judgments, fines, penalties, excise taxes, amounts paid in settlement in accordance with Section 9, and costs and expenses actually and reasonably incurred in connection with a Covered Claim, including reasonable attorney fees, expert and consultant fees, court costs, filing fees, transcript and discovery costs, electronic discovery and forensic costs, bonds, travel expenses required for the defense, and interest. Covered Losses also include the reasonable costs of enforcing this Agreement where the Indemnitee substantially prevails. Covered Losses do not include the internal time, salaries, or overhead of the Indemnitee, or amounts that applicable law prohibits from being indemnified. Where a Covered Claim is only partly covered, Covered Losses will be apportioned on a reasonable basis proportionate to the covered portion, and the Indemnitor will remain responsible for that portion.

4. 4. Indemnification Obligation

The Indemnitor will defend, indemnify, and hold harmless the Indemnitee and its officers, directors, managers, employees, agents, successors, and permitted assigns (each an "Indemnified Person") from and against all Covered Losses arising from Covered Claims, to the fullest extent permitted by applicable law. This obligation applies whether or not the Indemnitee is ultimately found liable and whether the Covered Claim succeeds, is dismissed, is withdrawn, or is settled. If a court determines that indemnification is unavailable for any portion of a Covered Loss, the Indemnitor will contribute to that portion in the proportion that reflects the relative fault of the Parties and the relative benefit each received from the Underlying Relationship. The obligations in this Agreement are in addition to, and not in substitution for, any other right to indemnification the Indemnitee has under the certificate of incorporation, bylaws, operating agreement, statute, other contract, or policy of insurance.

5. 5. Duty to Defend and Control of the Defense

The duty of the Indemnitor to defend arises as soon as a Covered Claim is asserted against the Indemnitee, is independent of and broader than the duty to indemnify, and applies even if the allegations are groundless, false, or fraudulent. On receipt of notice under Section 7, the Indemnitor will promptly assume and diligently conduct the defense at its own expense using counsel selected in accordance with Section 6. Subject to that section, the Indemnitor controls the defense and the strategy of a Covered Claim it has assumed, and the Indemnitee may participate at its own cost with counsel of its own choosing. If the Indemnitor fails to assume the defense within [DEFENSE ASSUMPTION PERIOD, e.g., 15 days] after notice, disputes coverage, or fails to conduct the defense diligently, the Indemnitee may assume its own defense with counsel of its choice, settle the claim on reasonable terms, and recover all resulting Covered Losses from the Indemnitor.

6. 6. Selection of Counsel and Conflicts

The Indemnitor will select defense counsel that is reasonably experienced in the subject matter of the Covered Claim and reasonably acceptable to the Indemnitee, and the Indemnitee will not unreasonably withhold or delay its approval. If a conflict of interest arises or reasonably appears likely to arise between the Parties, including where the defense requires taking positions adverse to the Indemnitee, where the claim seeks relief not covered by this Agreement, or where the interests of an insurer diverge from those of the Indemnitee, the Indemnitee is entitled to separate counsel of its own selection at the expense of the Indemnitor. In that case the Indemnitor is responsible for the reasonable fees of one separate counsel for all Indemnified Persons with substantially the same interests, plus local counsel where required by court rule. The Parties and their counsel will cooperate to preserve attorney-client privilege and work product protection, including through a joint defense or common interest agreement where appropriate.

7. 7. Notice of Claim

The Indemnitee will give the Indemnitor written notice of any Covered Claim promptly, and in any event within [NOTICE PERIOD, e.g., 30 days] after the Indemnitee becomes aware of it, describing the claim in reasonable detail and enclosing copies of any complaint, demand letter, subpoena, or other process received. Failure to give notice within that period does not relieve the Indemnitor of its obligations under this Agreement except to the extent the Indemnitor is actually and materially prejudiced by the delay, and then only to the extent of that prejudice. The Indemnitor will confirm in writing within [ACKNOWLEDGMENT PERIOD, e.g., 15 days] whether it accepts the defense, accepts it under a reservation of rights, or disputes coverage, and a failure to respond within that period is treated as a decision not to assume the defense. Notice to an insurer does not substitute for notice under this section.

8. 8. Cooperation

The Indemnitee will cooperate reasonably with the Indemnitor and its counsel in the defense of a Covered Claim, including by making relevant records and knowledgeable personnel available at reasonable times, assisting with the preparation of witnesses, executing declarations and discovery responses that are accurate, and attending hearings, depositions, and trial where reasonably required. The Indemnitor will reimburse the Indemnitee for reasonable out-of-pocket expenses incurred in providing that cooperation. The Indemnitee will not take any action that materially prejudices the defense, including admitting liability, waiving a defense, or making a public statement about the merits of the claim, without the prior consent of the Indemnitor. The Indemnitor will keep the Indemnitee reasonably informed of the status of the defense, will provide copies of material filings and settlement communications, and will consult with the Indemnitee before taking any step that would materially affect the reputation or ongoing business of the Indemnitee.

9. 9. Settlement and Consent

The Indemnitor may not settle or compromise any Covered Claim without the prior written consent of the Indemnitee unless the settlement (a) includes an unconditional release of every Indemnified Person from all liability on the claim, (b) involves only the payment of money that the Indemnitor pays in full, (c) contains no admission of fault, wrongdoing, or violation of law by any Indemnified Person, and (d) imposes no injunctive, operational, or other non-monetary obligation on any Indemnified Person. Where consent is required, the Indemnitee will not unreasonably withhold, condition, or delay it. The Indemnitee may not settle or compromise a Covered Claim without the prior written consent of the Indemnitor, and any settlement made without that consent is not a Covered Loss, except where the Indemnitor has failed to assume or diligently conduct the defense as described in Section 5, in which case the Indemnitee may settle on commercially reasonable terms after giving [PRE-SETTLEMENT NOTICE, e.g., 10 days] written notice.

10. 10. Advancement of Expenses and Undertaking to Repay

The Indemnitor will advance all reasonable expenses, including attorney fees, incurred by the Indemnitee in defending a Covered Claim, in advance of the final disposition of that claim and to the fullest extent permitted by applicable law. Advances will be paid within [ADVANCEMENT PERIOD, e.g., 20 days] after the Indemnitee submits a written request with reasonable supporting documentation, which may be redacted to preserve privilege and confidentiality. The right to advancement is not conditioned on any prior determination that the Indemnitee is entitled to indemnification, and is not affected by any allegation of conduct that would fall within Section 11. As a condition of advancement, the Indemnitee undertakes to repay any amounts advanced if it is ultimately determined by a final, non-appealable judgment that the Indemnitee is not entitled to be indemnified for those expenses. That undertaking is an unsecured obligation, accepted without reference to the ability of the Indemnitee to repay and without requiring any bond or other security.

11. 11. Exclusions and Carve-Outs

The Indemnitor has no obligation to indemnify, defend, or advance expenses for any claim or loss to the extent it arises from: (a) the fraud, intentional misconduct, or knowing violation of law by the Indemnitee; (b) any transaction from which the Indemnitee derived an improper personal benefit, or an unlawful distribution or return of an unlawful profit; (c) the gross negligence of the Indemnitee, except to the extent applicable law permits indemnification for it; (d) a claim brought by the Indemnitee against the Indemnitor, other than a claim to enforce this Agreement in which the Indemnitee substantially prevails, or a counterclaim asserted in defense of a Covered Claim; (e) any amount actually paid to the Indemnitee under a policy of insurance or by another indemnitor; (f) a matter settled by the Indemnitee without required consent; or (g) any indemnification that applicable law or a final court order prohibits. Where an exclusion applies to only part of a claim, the remainder stays covered.

12. 12. Insurance, Priority, and Subrogation

The Indemnitor will maintain, at its own expense and throughout the Term, [INSURANCE REQUIREMENTS, e.g., commercial general liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate, professional liability coverage of \$POLICY LIMIT, and directors and officers liability coverage of \$D&O LIMIT] with insurers rated at least [INSURER RATING], and will name the Indemnitee as an additional insured where the coverage permits it. The obligations of the Indemnitor under this Agreement are primary and any insurance or indemnity available to the Indemnitee from another source is excess and non-contributory, except that where the Indemnitee is covered under a policy maintained by the Indemnitor, that policy responds first and this Agreement covers amounts that the policy does not. The Indemnitor will give the Indemnitee [INSURANCE NOTICE PERIOD, e.g., 30 days] written notice before any cancellation or material reduction in coverage. On payment of a Covered Loss,

the Indemnitor is subrogated to all rights of recovery of the Indemnitee against third parties, and the Indemnitee will execute the documents reasonably needed to secure those rights and will not release them without consent.

13. 13. Limits, No Duplication, and Survival

The total aggregate liability of the Indemnitor under this Agreement will not exceed [INDEMNITY CAP, e.g., \$AMOUNT or the total amounts paid under the Underlying Relationship in the preceding twelve months], except that no cap applies to Covered Losses arising from bodily injury or death, intellectual property infringement, breach of confidentiality, or the fraud or willful misconduct of the Indemnitor. The Indemnitee is not entitled to recover more than once for the same loss, and any recovery under this Agreement will be reduced by amounts actually received from insurance, another indemnitor, or a third party for the same loss, net of the reasonable cost of obtaining that recovery. Indemnification claims may be brought for [SURVIVAL PERIOD, e.g., three years] after the Term ends, except for claims relating to fraud, taxes, title, or intellectual property, which may be brought until the applicable statute of limitations expires.

14. 14. Term, Governing Law, and General Provisions

This Agreement begins on the Effective Date and continues until [END DATE OR TERMINATION EVENT, e.g., the Underlying Relationship ends, or the Indemnitee ceases to serve as a director or officer] (the "Term"), and no termination affects any Covered Claim that arose, or that arises from acts or omissions occurring, before the Term ended. This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules, and any dispute will be brought exclusively in the state or federal courts located in [VENUE COUNTY AND STATE]. This Agreement is the entire agreement of the Parties on the subject of indemnification, may be amended only in a writing signed by both, and any right may be waived only in writing. If any provision is held unenforceable, it will be reformed to the maximum extent permitted so that the Indemnitee receives the broadest indemnification the law allows, and the remainder stays in effect. This Agreement binds successors and permitted assigns, including any acquirer of substantially all of the assets of the Indemnitor.

15. 15. Signatures

By signing below, each Party confirms that it has read this Agreement, understands it, and agrees to be bound by its terms as of the Effective Date. INDEMNITOR: [INDEMNITOR NAME]. Signature:

_____. Printed Name: [INDEMNITOR SIGNER NAME]. Title: [TITLE]. Date: [DATE].

INDEMNITEE: [INDEMNITEE NAME]. Signature: _____.

Printed Name: [INDEMNITEE SIGNER NAME]. Title: [TITLE]. Date: [DATE].

This Agreement may be signed in counterparts, and electronic signatures have the same effect as original signatures on a single document. If the two signature dates differ, this Agreement takes effect on the later of them unless an earlier Effective Date is stated in Section 1. Each Party will retain a fully signed copy together with the current certificates of insurance and any written amendments, so that the operative version can be produced quickly when a claim is first reported.

16. Disclaimer

This template is provided for general informational purposes only and is not legal advice. Indemnification is one of the most heavily litigated areas of contract law, and states differ on whether a party may be indemnified for its own negligence, what conspicuousness or specific wording is required, and how far a company may go in protecting its directors and officers. Anti-indemnity statutes also restrict these clauses in construction and certain other industries. Have a licensed attorney review this document against your governing law and your insurance program before you rely on it. Use of this template does not create an attorney-client relationship with ScanContract.