

ST. PAUL'S REFORMED CHURCH

5543 BUSINESS 220. BEDFORD, PA 15522

SPRC Indemnification Policy

The Church shall indemnify any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that such person is or was a Consistory member, employee or agent of the Church, against expenses (including attorneys' fees), liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding if such person:

- A. Acted in good faith;
- B. Reasonably believed, in the case of conduct in his or her official capacity with the Church, that his or her conduct was in the best interests of the Church, and, in all other cases, that his or her conduct was at least not opposed to the best interests of the Church;
- C. With respect to any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The term "official capacity" shall mean acting in the capacity as a Consistory member or in an employment or agency relationship with the Church while acting on behalf of the Church.

However, no person shall be entitled to indemnification:

- A. In connection with a proceeding brought by or in the right of the Church in which the Consistory member, employee or agent was adjudged liable to the Church or acted contrary to the Church's best interests;
- B. In connection with any other proceeding charging improper self-interest of the Consistory member, employee or agent, whether or not involving action in his or her official capacity, in which he or she is ultimately adjudged liable on the basis that he or she improperly received personal benefit;
- C. Who is acting as an independent contractor performing a contractual service for the Church.

Indemnification under this Section in connection with a proceeding brought by or in the right of the Church shall be limited to reasonable expenses incurred in connection with the proceeding. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith or otherwise failed to meet the standard of conduct set forth in this Section.

Successful Defense on the Merits; Expenses. Consistent with Pennsylvania law, the extent that a Consistory member, employee or agent of the Church has been wholly successful on the merits in defense of any proceeding to which he or she was a party, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with such proceedings.

Effective Date: 12 FEB 26