

**DEED OF TAX INDEMNITY**  
**(PRE-CLOSING TAX LIABILITIES)**

**DATED:** \_\_\_\_\_

**THIS DEED OF TAX INDEMNITY** (this "Deed") is made on the date set forth above by and among the following parties:

**BETWEEN:** \_\_\_\_\_, a company incorporated under the laws of \_\_\_\_\_ under registered number \_\_\_\_\_, having its registered office at \_\_\_\_\_  
(the "**Seller**"); and

**AND:** \_\_\_\_\_, a company incorporated under the laws of \_\_\_\_\_ under registered number \_\_\_\_\_, having its registered office at \_\_\_\_\_  
(the "**Buyer**").

**BACKGROUND:**

- A. Pursuant to a share purchase agreement dated on or about the date of this Deed (the "**Share Purchase Agreement**") between the Seller and the Buyer, the Seller has agreed to sell, and the Buyer has agreed to purchase, the entire issued share capital of \_\_\_\_\_ (the "**Target Company**").
- B. It is a condition precedent to the completion of the transactions contemplated by the Share Purchase Agreement that the Seller and the Buyer enter into this Deed to provide indemnification against certain pre-closing tax liabilities of the Target Company.

**1. DEFINITIONS AND INTERPRETATION**

1.1. Capitalised terms used but not defined in this Deed shall have the meanings ascribed to them in the Share Purchase Agreement. In addition, the following terms shall have the following meanings:

"**Closing**" means completion of the sale and purchase of the shares in the Target Company in accordance with the Share Purchase Agreement.

"**Closing Date**" means the date on which Closing occurs.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date, and, in the case of any taxable period that includes but does not end on the Closing Date, the portion of such period ending on and including the Closing Date.

"**Tax**" or "**Taxes**" means any and all taxes, duties, levies, imposts, social security contributions, and other assessments in the nature of tax, including any interest, fines, penalties, or additions associated therewith, imposed by any Tax Authority.

"**Tax Authority**" means any government, state, or municipality, or any local, state, federal, or other fiscal, revenue, customs, or excise authority competent to impose, collect, or administer any Tax.

"**Tax Claim**" means any assessment, self-assessment, demand, notice, audit, investigation, determination, litigation, or other proceeding from or by a Tax Authority or Target Company concerning any Tax Liability which could give rise to a claim under this Deed.

"**Tax Liability**" means any liability of the Target Company to make a payment of Tax, or the loss, reduction, or cancellation of any tax relief, credit, or allowance.

**2. INDEMNITY**

2.1. Subject to the provisions of this Deed, the Seller hereby covenants to pay to the Buyer (or, at the Buyer's option, to the Target Company) an amount equal to:

- a. Any Tax Liability of the Target Company arising from, relating to, or attributable to any Pre-Closing Tax Period;
- b. Any Tax Liability resulting from the transactions contemplated by the Share Purchase Agreement occurring prior to or at Closing; and
- c. All reasonable costs, professional fees (including legal and accounting fees), and expenses incurred by the Buyer or the Target Company in connection with any such Tax Liability or any Tax Claim related thereto.

### 3. EXCLUSIONS AND LIMITATIONS

3.1. The Seller shall not be liable under Clause 2 in respect of any Tax Liability to the extent that:

- a. Provision or reserve for such Tax Liability was specifically made in the Closing Accounts or the Accounts;
- b. The Tax Liability arises or is increased as a result of any change in Tax law, rates of Tax, or administrative practice of a Tax Authority introduced and taking effect after Closing with retroactive effect;
- c. The Tax Liability arises or is increased as a result of a voluntary change in accounting policies or tax reporting practices of the Target Company after Closing, unless required by applicable law; or
- d. Recovery of such Tax Liability has actually been made by the Buyer or the Target Company under any other provision of the Share Purchase Agreement or insurance policy.

3.2. The maximum liability of the Seller under this Deed shall not exceed \_\_\_\_\_.

3.3. The Seller shall not be liable under this Deed unless a claim is notified in writing by the Buyer to the Seller within \_\_\_\_\_ years following the Closing Date.

### 4. CLAIMS PROCEDURE

4.1. If the Buyer or the Target Company receives notice of any Tax Claim which may give rise to a claim under this Deed, the Buyer shall notify the Seller in writing within \_\_\_\_\_ business days of becoming aware of the Tax Claim.

4.2. Subject to the Seller agreeing to fully indemnify the Buyer and the Target Company against all reasonable costs and expenses, the Seller shall have the right, at its own cost, to direct the Target Company in defending, disputing, or settling such Tax Claim, provided that the Seller shall keep the Buyer fully informed of the progress of such Tax Claim.

### 5. PAYMENT AND GROSS-UP

5.1. All payments to be made by the Seller under this Deed shall be made in full, free and clear of all deductions, withholdings, set-offs, or counterclaims, except as required by law.

5.2. If any deduction or withholding is required by law to be made from any payment under this Deed, the Seller shall pay to the recipient such additional amount as is necessary to ensure that the net amount received by the recipient is equal to the amount that would have been received had no such deduction or withholding been required.

### 6. GOVERNING LAW AND JURISDICTION

6.1. This Deed and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the laws of \_\_\_\_\_.

6.2. The parties irrevocably agree that the courts of \_\_\_\_\_ shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Deed.

**IN WITNESS WHEREOF** this instrument has been duly executed as a Deed by the parties and is delivered on the date first written above.

EXECUTED as a DEED by

\_\_\_\_\_ acting by a Director:

\_\_\_\_\_  
Director Name: \_\_\_\_\_

In the presence of:

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

Witness Name: \_\_\_\_\_

Witness Address: \_\_\_\_\_

EXECUTED as a DEED by

\_\_\_\_\_ acting by a Director:

\_\_\_\_\_  
Director Name: \_\_\_\_\_

In the presence of:

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

Witness Name: \_\_\_\_\_

Witness Address: \_\_\_\_\_