

# DEED OF INDEMNITY

## PAYROLL TAX

THIS DEED OF INDEMNITY is made on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

### PARTIES

**Principal:**

\_\_\_\_\_

**ABN/ACN:**

\_\_\_\_\_

**Address:**

\_\_\_\_\_

**Subcontractor:**

\_\_\_\_\_

**ABN/ACN:**

\_\_\_\_\_

**Address:**

\_\_\_\_\_

### RECITALS

- A. The Principal and the Subcontractor have entered into, or intend to enter into, an agreement or agreements for the provision of services by the Subcontractor to the Principal (the **Subcontract Agreement**).
- B. For the purposes of relevant state and territory payroll tax legislation, the revenue authorities may assess or attempt to assess the Principal for payroll tax in connection with payments made to the Subcontractor under the Subcontract Agreement.
- C. The Subcontractor has represented to the Principal that the arrangement is exempt from payroll tax, or alternatively, that the Subcontractor has fully discharged and will continue to fully discharge its obligations regarding payroll tax, workers' compensation, and other statutory liabilities.
- D. The Subcontractor has agreed to indemnify the Principal against any payroll tax liability, interest, fines, penalties, or legal costs that the Principal may incur arising from or in connection with the Subcontract Agreement.

### OPERATIVE PROVISIONS

#### 1. Definitions and Interpretation

In this Deed, unless the context otherwise requires:

**Claim** means any assessment, reassessment, demand, action, claim, proceeding, suit, judgment, damage, loss, cost (including legal costs on a full indemnity basis), expense, fine, penalty, or liability of any nature.

**Payroll Tax Liabilities** means any payroll tax, pay-roll tax, penalty tax, interest, surcharge, or fine levied, assessed, or demanded under any relevant state, territory, or federal payroll tax legislation.

#### 2. Warranties and Representations

The Subcontractor warrants and represents to the Principal that:

- a. It is an independent contractor and is solely responsible for all statutory obligations relating to its personnel, including but not limited to pay-as-you-go (PAYG) withholding, superannuation, workers' compensation insurance, and payroll tax.
- b. All payments made by the Principal to the Subcontractor under the Subcontract Agreement do not constitute "wages" for the purposes of any payroll tax legislation, or are otherwise subject to an applicable exemption.

c. It will maintain all necessary records and registrations required by law to substantiate any exemption claimed.

**3. Indemnity**

- a. The Subcontractor unconditionally and irrevocably indemnifies and agrees to keep indemnified the Principal (and its officers, employees, and agents) against any and all Payroll Tax Liabilities, Claims, losses, costs, and expenses incurred or suffered by the Principal arising directly or indirectly out of, or in connection with:
  - i. any assessment or reassessment of Payroll Tax Liabilities by any revenue authority in respect of payments made to the Subcontractor;
  - ii. any breach of the warranties or representations contained in this Deed; or
  - iii. any failure by the Subcontractor to comply with its statutory tax obligations.
- b. This indemnity is a continuing obligation, separate and independent from the Subcontractor's other obligations, and survives the termination or expiration of the Subcontract Agreement.
- c. It is not necessary for the Principal to incur expense or make payment before enforcing any right of indemnity under this Deed.

**4. Notification and Cooperation**

- a. The Principal must notify the Subcontractor as soon as reasonably practicable upon becoming aware of any audit, investigation, assessment, or Claim by a revenue authority relating to payroll tax in connection with the Subcontract Agreement.
- b. The Subcontractor must, at its own cost, provide all reasonable assistance, information, and documentation requested by the Principal to dispute, defend, or appeal any such Claim or assessment.
- c. The Principal retains absolute discretion regarding the conduct, settlement, or compromise of any dispute with a revenue authority.

**5. Governing Law and Jurisdiction**

This Deed is governed by the laws in force in the State/Territory of \_\_\_\_\_ and the parties submit to the non-exclusive jurisdiction of the courts of that jurisdiction.

**EXECUTED AS A DEED**

**Executed by the Principal:**

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Signature of Authorised Representative

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Name of Authorised Representative (Print)

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Office Held / Position

In the presence of:

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Signature of Witness

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Name of Witness (Print)

**Executed by the Subcontractor:**

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Signature of Authorised Representative / Director

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Name of Signatory (Print)

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Office Held / Position

In the presence of:

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Signature of Witness

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Name of Witness (Print)