

SHARE PURCHASE TAX INDEMNITY AGREEMENT

This SHARE PURCHASE TAX INDEMNITY AGREEMENT (this "Agreement") is entered into as of _____, 20_____
(the "Effective Date"), by and among:

SELLER: _____, a corporation organized under the laws of _____, with its principal office at _____ (the "Seller");

BUYER: _____, a corporation organized under the laws of _____, with its principal office at _____ (the "Buyer"); and

COMPANY: _____, a corporation organized under the laws of _____, with its principal office at _____ (the "Company").

WHEREAS, Seller and Buyer have entered into that certain Share Purchase Agreement dated as of _____, 20_____
(the "SPA"), pursuant to which Buyer has agreed to purchase from Seller, and Seller has agreed to sell to Buyer, all of the issued and outstanding shares of capital stock of the Company (the "Shares"); and

WHEREAS, as a condition to the closing of the transactions contemplated by the SPA, the parties have agreed to enter into this Agreement to define their respective rights and obligations with respect to certain tax liabilities of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

1.1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to them in the SPA. As used in this Agreement, the following terms have the meanings set forth below:

"Closing Date" means _____, 20_____.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and, with respect to any Straddle Period, the portion of such Straddle Period ending on the Closing Date.

"Straddle Period" means any taxable period that begins on or before the Closing Date and ends after the Closing Date.

"Tax" or "Taxes" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto.

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

"Tax Claim" means any assessment, audit, examination, investigation, litigation, or other administrative or judicial proceeding with respect to Taxes of the Company.

2. TAX INDEMNIFICATION

2.1. **Indemnification by Seller.** Subject to the limitations set forth in this Agreement, the Seller shall indemnify, defend, and hold harmless Buyer and its affiliates (including, after the Closing, the Company) (each, an "Indemnified Party") from and against, and shall pay and reimburse the Indemnified Party for, any and all Taxes imposed on or with respect to the Company:

(a) for any Pre-Closing Tax Period;

(b) resulting from a breach of any representation or warranty made by Seller regarding Tax matters in the SPA or this

Agreement;

(c) arising from any transfer, sales, use, stamp, or other similar Taxes incurred in connection with the transactions contemplated by the SPA; and

(d) resulting from the joint and several liability of the Company under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local, or foreign law) for Taxes of any consolidated, combined, or unitary group of which the Company was a member prior to the Closing.

3. LIMITATIONS ON INDEMNITY

3.1. Seller shall not be liable under Section 2 for any Tax to the extent that such Tax:

(a) was specifically taken into account as a liability in determining the final working capital of the Company under the SPA;

(b) results from any transaction or action taken by Buyer or the Company on the Closing Date after the Closing outside the ordinary course of business; or

(c) results from a change in accounting method or Tax election made by Buyer or the Company after the Closing, which has retroactive effect to any Pre-Closing Tax Period.

4. FILING OF TAX RETURNS AND PAYMENT OF TAXES

4.1. **Pre-Closing Tax Returns.** Seller shall prepare, or cause to be prepared, and timely file, or cause to be timely filed, all Tax Returns of the Company for all taxable periods ending on or before the Closing Date that are required to be filed after the Closing Date. All such Tax Returns shall be prepared in a manner consistent with past practices of the Company, unless otherwise required by applicable law.

4.2. **Straddle Period Tax Returns.** Buyer shall prepare, or cause to be prepared, and timely file, or cause to be timely filed, any Tax Returns of the Company for any Straddle Period.

5. PROCEDURES FOR TAX CLAIMS

5.1. **Notice.** The Indemnified Party shall notify the Seller in writing within _____ days of receipt of any written notice of a Tax Claim that could give rise to an indemnification obligation under this Agreement.

5.2. **Control of Contest.** Seller shall have the right, at its own expense, to control and represent the interests of the Company in any Tax Claim relating solely to a Pre-Closing Tax Period; provided, however, that Seller shall keep Buyer informed of all material developments and shall not settle any such Tax Claim without Buyer's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed.

6. TERMINATION AND SURVIVAL

6.1. The representations, warranties, covenants, and indemnification obligations set forth in this Agreement shall survive the Closing and shall continue in full force and effect until _____ days after the expiration of the applicable statute of limitations.

7. MISCELLANEOUS

7.1. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without giving effect to any choice of law or conflict of law provisions.

7.2. **Entire Agreement.** This Agreement, together with the SPA, constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties.

7.3. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Share Purchase Tax Indemnity Agreement as of the date first written above.

SELLER:

By:
Name: _____
Title: _____

BUYER:

By:
Name: _____
Title: _____

COMPANY:

By:
Name: _____
Title: _____