

ENGAGEMENT LETTER

Financial Due Diligence Services

Date: _____

To:

RE: Financial Due Diligence of _____ (the "Target") in Connection with the Proposed Acquisition by _____ (the "Client").

Dear _____,

This engagement letter (the "Agreement") confirms the terms and conditions upon which _____ ("Provider") will provide financial due diligence services to the Client in connection with its contemplated transaction involving the Target.

1. Scope of Services

Provider will perform financial due diligence services as mutually agreed upon, which are anticipated to include, but are not limited to, the following procedures:

1. Analysis of historical quality of earnings (QofE) for the fiscal years ended _____ and _____, and the interim period ended _____.
2. Evaluation of historical quality of assets and net debt components as of _____.
3. Review of working capital requirements and seasonal trends to assist in establishing a baseline target working capital.
4. Assessment of key revenue drivers, customer concentration, and margin analysis.
5. Inquiry into key accounting policies, internal control environment, and historical tax compliance.

2. Client Responsibilities

The Client is responsible for facilitating access to the management, books, records, and working papers of the Target. The Client acknowledges that the sufficiency of the procedures is solely the Client's responsibility. The services provided do not constitute an audit, review, or compilation of financial statements under professional standards, and accordingly, Provider will not express an opinion or any other form of assurance on the financial data.

3. Fees and Expenses

Fees for the services will be billed based on the professional hours incurred at standard rates, plus out-of-pocket expenses. The estimated fee for the scope of work described herein is _____ to _____.

A retainer of _____ is required upon execution of this Agreement and will be applied against the final billing. Invoices are due and payable upon receipt.

4. Deliverables and Reporting

At the conclusion of the fieldwork, Provider will issue a written report detailing the findings. All deliverables are prepared solely for the internal use of the Client and its designated advisors, and may not be distributed to any third party without prior written consent from Provider.

5. Limitation of Liability

Except in cases of gross negligence or willful misconduct, Provider's total liability for any and all claims arising out of this engagement shall be limited to the total fees paid to Provider under this Agreement.

6. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without giving effect to any principles of conflicts of law.

Please indicate your acceptance of the terms of this engagement by signing and returning the enclosed copy of this letter along with the required retainer.

Sincerely,

Accepted and Agreed for:

(Client Company Name)

By: _____

Name: _____

Title: _____

Date: _____

Accepted and Agreed for:

(Provider Name)

By: _____

Name: _____

Title: _____

Date: _____