

# FINANCIAL DUE DILIGENCE SERVICES AGREEMENT

This Financial Due Diligence Services Agreement (the "Agreement") is entered into as of \_\_\_\_\_, 20\_\_\_\_\_  
(the "Effective Date"), by and between:

**Provider:** \_\_\_\_\_, with its principal place of business at \_\_\_\_\_  
(hereinafter referred to as the "Advisor"),

and

**Client:** \_\_\_\_\_, with its principal place of business at \_\_\_\_\_  
(hereinafter referred to as the "Client").

The Advisor and the Client may collectively be referred to as the "Parties" or individually as a "Party."

## RECITALS

WHEREAS, the Client is considering a potential transaction involving the acquisition of, merger with, or investment in \_\_\_\_\_  
(the "Target"); and

WHEREAS, the Client desires to retain the Advisor to perform financial due diligence services in connection with the Target, and the Advisor agrees to perform such services under the terms and conditions set forth herein.

NOW, THEREFORE, the Parties agree as follows:

## 1. SCOPE OF SERVICES

The Advisor shall perform financial due diligence services on the Target as detailed below:

- a. Analysis of historical quality of earnings (QofE) for the periods: \_\_\_\_\_.
- b. Review of historical net assets and analysis of the working capital peg.
- c. Assessment of the Target's accounting policies, internal control environment, and financial reporting systems.
- d. Identification of debt and debt-like items.
- e. Other procedures as mutually agreed upon in writing by the Parties, specifically:  
\_\_\_\_\_.

## 2. INFORMATION AND ACCESS

The Client shall facilitate, or cause the Target to facilitate, the provision to the Advisor of all financial data, records, documents, and other information necessary for the performance of the services. The Advisor shall be entitled to rely on the accuracy and completeness of all information provided without independent verification.

## 3. FEES AND EXPENSES

In consideration for the services rendered, the Client shall pay the Advisor as follows:

- a. **Professional Fees:** Calculated on the basis of \_\_\_\_\_ at a rate of \_\_\_\_\_ per hour, or a fixed fee of \_\_\_\_\_.
- b. **Retainer:** A non-refundable retainer of \_\_\_\_\_ shall be paid upon execution of this Agreement and applied to the final invoice.
- c. **Expenses:** The Client shall reimburse the Advisor for all reasonable, documented out-of-pocket expenses incurred during the performance of the services.
- d. **Payment Terms:** Invoices shall be paid within \_\_\_\_\_ days of receipt.

**4. DELIVERABLES AND USE OF REPORTS**

The Advisor will deliver a written financial due diligence report (the "Report") to the Client. The Report is prepared solely for the confidential use of the Client for the purpose of evaluating the potential transaction. The Report may not be disclosed, distributed, or referenced to any third party without the prior written consent of the Advisor.

**5. CONFIDENTIALITY**

Each Party agrees to keep confidential all non-public information received from the other Party or the Target during the course of this engagement. This obligation of confidentiality shall survive the termination or expiration of this Agreement for a period of \_\_\_\_\_ years.

**6. LIMITATION OF LIABILITY**

The total liability of the Advisor for any claims, losses, damages, or expenses arising out of or in connection with this Agreement shall not exceed the total fees paid by the Client to the Advisor under this Agreement. In no event shall either Party be liable for consequential, special, incidental, or punitive damages.

**7. TERM AND TERMINATION**

This Agreement shall commence on the Effective Date and shall terminate upon delivery of the final Report, unless terminated earlier by either Party upon \_\_\_\_\_ days written notice. In the event of early termination, the Advisor shall be compensated for all services performed and expenses incurred up to the date of termination.

**8. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, without giving effect to conflict of law principles. Any legal action arising hereunder shall be brought exclusively in the courts located in \_\_\_\_\_.

**9. ENTIRE AGREEMENT**

This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations, and understandings, whether oral or written.

IN WITNESS WHEREOF, the Parties hereto have executed this Financial Due Diligence Services Agreement as of the Effective Date.

**CLIENT:**

**ADVISOR:**

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_