

Date: [Insert Date]

To: [Contact Name]
[Vendor Company Name]
[Address Line 1]
[Address Line 2]

Subject: FORMAL NOTICE: Vendor Non-Compliance Escalation and Warning

Dear [Contact Name],

This letter serves as a formal notice regarding [Vendor Company Name]'s failure to comply with the agreed-upon terms and conditions set forth in the contract dated [Contract Start Date] regarding [Project Name/Service Type].

Despite previous communications on [List Dates of Previous Notifications], the following compliance issues remain unresolved:

- [Issue 1: e.g., Failure to meet delivery deadlines]
- [Issue 2: e.g., Substandard quality of materials/services]
- [Issue 3: e.g., Failure to provide required documentation/reports]

This lack of compliance is impacting our operations and is a breach of our Service Level Agreement (SLA). We require a formal Rectification Plan to be submitted to us no later than [Insert Date]. This plan must detail the steps you will take to resolve these issues and the timeline for completion.

Please be advised that if these issues are not corrected by [Final Deadline Date], [Your Company Name] reserves the right to take further action, which may include:

- Withholding of pending payments.
- Imposition of financial penalties as per contract terms.
- Partial or full termination of the contract for cause.
- Legal action to recover damages.

We value our business relationship and hope to resolve this matter promptly to avoid further escalation. Please acknowledge receipt of this letter and confirm your commitment to the rectification process.

Sincerely,

[Your Name]
[Your Title]
[Your Company Name]
[Your Contact Information]