

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

**Re: Engagement for Vendor Due Diligence Services - [Project Name/Target Company]**

Dear [Client Contact Name],

This letter confirms the engagement of [Advisory Firm Name] ("we" or "us") by [Client Name] ("you") to provide Vendor Due Diligence (VDD) advisory services in connection with the potential sale of [Target Company Name].

**1. Scope of Work**

Our services will include a review of the financial, operational, and tax records of the Target Company for the period of [Insert Period]. The primary objectives are to:

- Analyze historical financial performance and EBITDA trends.
- Identify potential risks or liabilities that may impact the valuation.
- Prepare a comprehensive VDD Report for distribution to potential bidders.
- Assist management in responding to inquiries during the Q&A phase of the transaction.

**2. Reporting and Deliverables**

Upon completion of our procedures, we will issue a formal Vendor Due Diligence Report. This report is intended for your internal use and for prospective purchasers who execute a standard "Hold Harmless" or "Release" letter.

**3. Responsibilities**

The management of [Target Company Name] is responsible for the accuracy and completeness of the data and financial statements provided to us. Our work does not constitute an audit or a legal opinion.

**4. Fees and Expenses**

Our professional fees for this engagement are estimated at [Insert Amount], plus applicable taxes and out-of-pocket expenses. Invoices will be issued [Monthly/Upon Completion].

**5. Confidentiality**

All information disclosed during this engagement will be treated as strictly confidential and will not be shared with third parties without your prior written consent.

Please sign and return the enclosed copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Your Name/Partner Name]  
[Title]  
[Advisory Firm Name]

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**Accepted and Agreed:**

For and on behalf of [Client Name]:

Signature: \_\_\_\_\_

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